

WORLD TRADE ORGANIZATION

G/SCM/N/95/USA
31 October 2003

(03-5811)

Committee on Subsidies
and Countervailing Measures

Original: English

SUBSIDIES

New and Full Notification Pursuant to Article XVI:1
of the GATT 1994 and Article 25 of the Agreement
on Subsidies and Countervailing Measures

UNITED STATES

The following communication, dated 29 October 2003, has been received from the Delegation of the United States.

Enclosed please find the new and full notification from the United States, pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures, for the 2002 fiscal year (1 October 2001 through 30 September 2002). Information on programmes granted or maintained at sub-federal levels in the United States is included in Attachment I. This notification also includes information regarding federal domestic agricultural support programmes for 1999. Information with respect to federal domestic agricultural support programmes for 2000 through 2002 is not yet available.

The following notification constitutes the United States' new and full notification. In general, the period to which the following information applies is the 2002 fiscal year (1 October 2001 through 30 September 2002). Information on programmes granted or maintained at sub-federal levels in the United States is included in Attachment I. This notification also includes information regarding federal domestic agricultural support programs for 1999. Information with respect to federal domestic agricultural support programmes for 2000 through 2002 is not yet available.

As noted in previous US notifications, insofar as the notification obligation is a transparency-orientated provision that, pursuant to Article 25.7 of the Agreement, carries no legal weight as to the actual identification or measurement of a subsidy, its action ability status, or its trade effects, the United States has included certain activities in this notification which arguably are not (or are not always) "specific subsidies" within the meaning of the Agreement.

AEROSPACE & AERONAUTICS¹

Title: The Spacecraft Technology Development Programme

Period covered by the notification

The period covered is fiscal year 2002 (September 2001–October 2002).

Policy objective and/or purpose

The Spacecraft Technology Development Programme is aimed at developing long-term advanced spacecraft technology that benefits both NASA programmes and the satellite communications industry. Key technology areas include phased array antennas, batteries, solar cells, travelling wave tubes, solid state power amplifiers, satellite propulsion and satellite network technology.

Background and authority

The Spacecraft Technology Development Programme is administered by NASA's Office of Aerospace Technology. Legislative authority for the programme derives from the National Aeronautics and Space Act of 1958, as amended, and the US Government's annual budget and appropriations legislation.

Form

The technology is developed at NASA laboratories, participating universities and participating industrial facilities.

To whom and how assistance is provided

Assistance to industry is provided through cost-share contracts and technology know-how transfer from NASA laboratories. Assistance to universities is provided through grants.

¹ As indicated in last year's notification, the following programmes have been terminated: (1) the Advanced Subsonic Technology Programme; (2) the X-33 Programme; (3) the X-34 Programme; and (4) the High Speed Research Programme.

Amount

The amount budgeted for fiscal year 2002 was \$19.4 million.

Duration

Although this activity was notified as the Spacecraft Technology Development Programme for ease of identification, the subject research and technology activities are actually sponsored under the Enabling Concepts and Technology and the Computing, Information, and Communications Technology Programmes. The duration of the programme is contingent upon annual appropriations of Congress. This programme has been re-authorized and funded for fiscal year 2003.

Trade effects

In light of the scope and nature of the R&T activity being assisted, it is not possible to determine what, if any, trade effects may ever result from this programme.

AGRICULTURE

Domestic Assistance Measures (covering fiscal year 1999)

Title: Agriculture Income Support, Marketing Assistance for Wheat, Feed Grains (Corn, Grain Sorghum, Barley, Oats, and Rye), Upland and Extra Long Staple (ELS) Cotton, Rice, Oilseeds (Soybeans, Sunflower Seed, Flaxseed, Canola, Rapeseed, Safflower, Crambe, and Mustard Seed), and Price Support for Peanuts, Milk, Sugar, and Tobacco Programmes

Period covered by notification

The period covered is fiscal year 1999.

Policy objectives

- Stabilize, support, and protect farm income and prices.
- Help ensure adequate supplies of quality food, feed and fibre.
- Assist in the orderly marketing of farm commodities.

Background and authority

These programmes were authorized by the Commodity Credit Corporation (CCC) Charter Act, the Agriculture Adjustment Act of 1938, as amended, the Agricultural Act of 1949, as amended, and the Federal Agriculture Improvement and Reform Act of 1996 ("The 1996 Act"). The programmes were financed by the CCC and administered by the Farm Service Agency (FSA).

The agricultural appropriations bill for fiscal year 1999, (other legislation where noted) contained special emergency provisions for crop and economic losses in 1998 and 1999, which are set out separately below.

Programme Descriptions and Actual Expenditures for Period of Notification

(a) Production Flexibility Contract (PFC) Payments.

No changes were made to this programme in the period under notification.

Total maximum annual PFC payments were established and fixed by law at the national level for each of the 7 years of the contract period (see table below).

Table 1

Production Flexibility Contract Payments by Fiscal Year, 1996-1999 (Billion US\$)

Year	1996	1997	1998	1999
Amount	5.141	6.320	5.672	5.476

(b) Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments (LDPs) for Wheat, Feed Grains, Upland and ELS Cotton, Rice, and Oilseeds.

Nonrecourse commodity loan programmes and repayment provisions remained in effect for wheat, feed grains, upland and extra long staple (ELS) cotton, rice, oilseeds (soybeans, sunflower seed, flaxseed, canola, rapeseed, safflower, and mustard seed). Loan and LDP programs were added for crambe (1999). Except in the case of ELS cotton, producers of loan commodities could forgo obtaining a loan for the commodity in return for a loan deficiency payment (LDP). Alternative loan repayment provisions were also not available for ELS cotton.

Actual total expenditures (combined LDPs, marketing loan gains, and certificate exchange gains) for 1999 crops totaled \$8.0 billion.

Marketing assistance loans for each commodity have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. For ELS and upland cotton, the loans have a term of 10 months beginning on the first day of the month in which the loan is made.

Because the final loan availability date was as late as 31 May 2000 for some 1999-crop commodities, loan repayments and debt write-off may occur as late as February 2001. Thus, LDP and marketing loan program costs may span three fiscal years for a given year's crop.

(c) Peanuts.

No changes were made to the way in which this programme was administered in the period under notification.

For 1999, the national poundage quota was set at 1,180,000 short tons.

Loan rates for 1999-crop quota and additional peanuts were \$610 per short ton (\$0.305 per pound) and \$175 per short ton (\$0.088 per pound), respectively.

(d) Dairy Products.

No changes were made to the programme in the period under notification.

The support price of milk was \$9.90 per hundredweight (cwt) for calendar year (CY) 1999. Actual net expenditures were \$182.8 million in FY 1999.

(e) Sugar.

During fiscal year 1999, sugar loans continued to be issued as nonrecourse commodity loans. Sugar loans were unchanged at 18 cents per pound for raw cane sugar, and 22.90 cents per pound for refined beet sugar. In the event of forfeiture, processors are assessed a penalty of 1 cent per pound in the case of raw cane sugar and 1.364 cents per pound for refined sugar, thus essentially reducing the effective level of price support by about 1 cent per pound.

First processors of sugar paid marketing assessments to CCC at rates of 0.2475 cents per pound of raw cane sugar and 0.3376 cents per pound of refined beet sugar for fiscal year 1999.

The sugar program operates under a "no-cost" provision. Actual net expenditures on this program were -\$50.7 million in 1999.

(f) Tobacco.

	<u>National avg. loan level (\$/lb)</u>	<u>National marketing quota (mil.lb.)</u>
	1999-crop	1999-crop
Flue-cured	\$1.63/lb	668
Burley	\$1.79/lb	453

The tobacco support programme is statutorily mandated to operate at "no net cost" to the government, and a no-net-cost assessment is imposed on every pound of tobacco marketed.

Actual net expenditures on this program for the 1999-crop were - \$113 million. The negative sign (-) indicates net revenues from the program.

(g) Special Emergency Provisions of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, Appropriations Act, 2000 (Pub. L. 106-78), enacted October 1999.

Crop Loss Assistance

Emergency financial assistance was provided to producers on farms that incurred losses in a 1999 crop due to a disaster in the same manner as assistance provided for losses under the agricultural appropriations bill for fiscal year 1999. The losses covered include quantity losses, quality losses, and severe economic losses due to damaging weather or related condition.

The agricultural appropriations bill for fiscal year 2000, \$1.2 billion for this assistance and later increased by \$186 million under the 2000 Omnibus Appropriation Act (Public Law 106-113, enacted 29 November 1999). Outlays totaled \$1.251 billion.

Mohair Recourse Loans

Recourse marketing assistance loans are continued for mohair produced before or during fiscal year 2000 in the same manner as under the agricultural appropriations bill for fiscal year 1999.

All loans must be repaid, and mohair may not be delivered to CCC in satisfaction of the loan obligation.

Honey Recourse Loans

Recourse marketing assistance loans are continued for the 1999-crop of honey in the same manner as for the 1998 crop. Because the loan availability period ends at the end of March following the end of the crop year, program costs for a single crop year extend over 3 fiscal years. Net expenditures for the 1998 - 2000 honey loan programmes were \$2.4 million in fiscal year 1999. Repayment of interest is due when the loan is repaid. All loans must be repaid, and honey may not be delivered to CCC in satisfaction of the loan obligation.

Emergency Supplemental Income Support for PFC Contract Holders

Market loss assistance (MLA) was provided to PFC contract holders (individuals or entities) for the 1999 crop year as a post-hoc programme. Like with PFC payments, no production of any kind was required as a condition to receive the MLA payments.

Payments were issued in November 1999 to PFC contract holders who were eligible for fiscal year 1999 PFC payments. The payments were made proportional to the amount of PFC payments received by such PFC contract holders in fiscal year 1999. To receive market loss assistance, an individual or entity must have been enrolled in the 7-year PFC programme by 1 August 1996.

The 2000 Act appropriated \$5.544 billion for these payments. Actual payments totalled \$5.466 billion.

Oilseed Payments

Makes payments available to producers of oilseeds that are eligible to receive marketing assistance loans for the 1999 crop to assist oilseed producers suffering from reduced farm incomes as a result of large supplies and low prices. Payments were prorated on the basis of production volumes.

The agricultural appropriations bill for fiscal year 2000, \$475 million for these payments, but this was reduced by \$12.425 million to cover administrative costs, bringing the funding level to \$462.57 million. Actual payments totaled \$459.96 million in fiscal year 2000.

Livestock Assistance Programme

The agricultural appropriations bill for fiscal year 2000, \$200 million (the 2001 fiscal year Act, subsequently added \$10 million) in assistance to livestock producers for losses, due to drought or other natural disasters, incurred in 1999. The funds were used to implement a Livestock Indemnity Program (LIP) and a Livestock Assistance Program (LAP). The programme level for LAP was \$190.2 million and outlays totaled \$188.1 million. The programme level for LIP was \$11 million and outlays totaled \$1.9 million.

Dairy Market (Income) Loss Assistance Programme

Dairy indemnity payments were made available to provide assistance to dairy farmers for 1999 losses.

The agricultural appropriations bill for fiscal year 1999, \$125 million for these payments with \$2.3 million deducted for administrative expenses. Actual payments were \$122.7 million.

Upland Cotton User Marketing (Step 2 and Step 3) Payments

Amended provisions allow Step 3 import quotas to trigger with greater responsiveness to the need of US textile manufacturers.

User marketing payments totaled \$445 million in FY 2000.

Cottonseed Market Loss Assistance Payments

Made payments available to producers and first-handlers of cottonseed for the 1999 crop. Funding of \$79 million was provided from a portion of residual funds authorized for Public Law 106-78 and Public Law 105-277. These payments totaled \$79 million in fiscal year 2000.

Amount

Actual expenditures for each program are presented at the end of each section.

Duration

The policies described were in effect for fiscal year 1999.

Trade effects

It is difficult to determine to what extent, if any, these programs have affected trade, given the existence of other policy instruments that affect agricultural trade. Moreover, no-net-cost provisions and/or payment limitations are in effect for all programmes.

Export Assistance Measures

Title: The Export Enhancement Program (EEP)

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

In June 1991, the US Department of Agriculture (USDA) published programme criteria governing the selection of proposed sales initiatives under the EEP. All EEP initiatives are evaluated based on five criteria:

- (1) Trade Policy Effect B the expected contributions of the initiative in furthering the US trade policy objectives.
- (2) Export Effect B the potential to develop, expand, or maintain markets for US agricultural commodities;
- (3) Effect on Non-subsidizers B possible effects, if any, on non-subsidizing exporters of agricultural products;
- (4) Subsidy Requirements B the expected benefits compared with expected costs of the initiative; and

- (5) Market Development B EEP can be used for market development purposes.

The overall programme level for EEP, as well as bonus awards under individual EEP initiatives, will be maintained at the minimum levels necessary to achieve the expected benefits of the programme's export expansion objectives, as well as the anticipated long-term benefits from multilateral agricultural trade reform. Together, these criteria are considered in the selection of initiatives targeting specific commodities and countries that will best meet the program's trade policy and export expansion objectives.

Effective 1 July 1995, the terms of the Uruguay Round Agreement on Agriculture established annual ceilings by commodity with respect to maximum quantity and budgetary expenditures permitted for export subsidies.

Background and authority

The EEP has operated under various authorities since May 1985. Terms and conditions applicable to all export initiatives are contained in the U.S. Code of Federal Regulations at 7 CFR 1494.

Form

Cash bonuses paid to participating agricultural exporters.

To whom and how assistance is provided

The EEP works as follows:

- (1) The General Sales Manager, acting as Vice President of the Commodity Credit Corporation (CCC), issues a press release (Program Announcement) announcing an EEP initiative for a specific country or countries or regions. The Programme Announcement is followed by an invitation for offers from exporters to obtain a specific dollar and cents bonus in connection with the sale of an eligible commodity to the target countries.
- (2) Interested exporters submit information to qualify as participants under the programme.
- (3) The exporter must make a commercial sale of the eligible commodity under either a world-wide tender or a US-origin tender, or a negotiated sale with a buyer as a result of a tender
- (4) The exporter then makes an offer to the CCC to establish the amount of the CCC bonus in dollars and cents necessary to make the eligible commodity competitive with the same commodity being offered for sale from other exporting countries under a world-wide tender, and furnishes a performance certificate to the CCC.
- (5) The General Sales Manager determines if the CCC bonus makes the exporter's commercial sale of the eligible commodity competitive with the same commodity offered for export from other exporting countries and if the offer meets the requirements of the programme.
- (6) The General Sales Manager notifies successful exporters and sends a written acceptance of the offer.

- (7) The exporter exports the eligible commodity against the sales contract.
- (8) The exporter furnishes proof of export and requests payment of the CCC bonus.
- (9) The CCC issues payment to the exporter for the exact amount of the CCC bonus by multiplying the CCC bonus specified in the agreement by the net quantity of the commodity exported.
- (10) The General Sales Manager agrees to a cancellation of the performance security, in whole or in part, provided the exporter has furnished evidence that the exports arrived in the designated country.

Amount

No disbursements were made in fiscal year 2002.

Duration

Section 301 of the Agricultural Trade Act of 1978, as amended, authorizes spending through 30 September 2007.

Trade effects

The CCC bonuses offered are intended to enable US exporters to compete at commercial prices in selected foreign markets. The effect of the programme is to enable exporters to offer prices that are competitive with those being offered by other countries' exporters in these selected foreign markets.

Title: The Dairy Export Incentive Program (DEIP)

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

In June 1991, USDA published programme criteria governing the selection of commodities and countries under the DEIP. These criteria take into account:

- (11) Trade Policy Effect -- the expected contribution of the initiative in furthering the US trade policy objectives.
- (12) Export Effect -- the potential to develop, expand, or maintain markets for US agricultural commodities;
- (13) Effect on Non-subsidizers B the possible effects on non-subsidizing exporters of agricultural products; and
- (14) Subsidy Requirements -- the expected benefits compared with the expected costs of the initiative.

Effective 1 July 1995, the terms of the Uruguay Round Agreement on Agriculture established annual ceilings by commodity with respect to maximum quantity and budgetary expenditures permitted for export subsidies. Section 148 of the Federal Activities Inventory Act authorized the use of DEIP to any destination in the world for the purpose of market development provided those shipments are not otherwise restricted by US law.

Background and authority

The Farm Security and Rural Investment Act of 2002 amended Section 153 of the Food Security Act of 1985 to mandate the CCC operate the DEIP through 31 December 2007.

To whom and how assistance is provided

Payments may be made in cash, CCC-owned commodities, or generic certificates on a bid basis to entities that sell US dairy products for export. Export sales under the programme must be in addition to, and, to the extent practicable, not displace, commercial export sales of US dairy products. Eligible dairy products, in bulk, are butter, butter oil, anhydrous milk fat, nonfat dry milk, whole milk powder, cheddar cheese, mozzarella cheese, cream cheese, feta cheese, and Gouda cheese.

Amount²

In fiscal year 2002, the budgetary outlay for nonfat dry milk was \$53,683,495, based on a quantity of 68,201 metric tons and the budgetary outlay for cheese was \$931,775, based on a quantity of 3,031 metric tons.

Duration

Section 153 of the Food Security Act of 1985, as amended, authorizes the program through 31 December 2007.

Trade effects

The CCC bonuses offered are intended to enable US exporters to compete at commercial prices in selected foreign markets. The effect of the programme is to enable exporters to offer prices that are competitive with those being offered by other countries' exporters in these selected foreign markets.

Title: Mandated Export Sales of Dairy Stocks

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose; Background and authority; Form; To whom and how assistance is provided

Section 1163 of the Food Security Act of 1985 created a mandated minimum annual level of export sales of CCC-owned dairy stocks. Mandated minimum sales were eliminated by the Uruguay

² Please note that notifications to the Committee on Agriculture report quantity on a July-June year basis and budgetary outlays on a fiscal year basis.

Round Agreements Act of 1994. The Secretary of Agriculture maintains discretionary authority to sell CCC-owned dairy stocks into the export market.

Amount

There were no export sales of CCC-owned dairy products in fiscal year 2002.

Duration

As indicated above, this programme is no longer mandatory. However, the Secretary has the discretionary authority to sell CCC-owned dairy stocks into the export market.

Trade effects

There have been no sales under this programme in recent years.

Other Agricultural Programmes³

Title: Expensing of Certain Capital Outlays Related to Agriculture

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To promote soil and water conservation.

Background and authority

Section 175 of the Internal Revenue Code (covering soil and water conservation expenses), enacted as part of the Revenue Act of 1954, and section 180 (covering fertilizer expenses), enacted in 1960 as part of Public Law 86-779.

Form

Income tax concession.

To whom and how assistance is provided

Farmers, except for certain farm corporations and partnerships, are allowed to deduct certain expenditures for fertilizer and other materials used to enrich or condition farmland, as well as for soil and water conservation measures. Expensing is allowed, even though these expenditures are for inventories held beyond the end of the year, or for capital improvements that would otherwise be capitalized. The deduction for conservation expenses is limited annually to 25 per cent of the taxpayer's gross income from farming.

Amount

The revenue loss was \$170 million in 2002.

³ All the programmes in this section are tax-related, authorized under the US Internal Revenue Code.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of these provisions.

Title: Expensing of Multiperiod Livestock and Crop Production Costs

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To ease record-keeping for small farm businesses.

Background and authority

Section 263A of the Internal Revenue Code, enacted as part of the Tax Reform Act of 1986.

Form

Income tax concession.

To whom and how assistance is provided

The production of livestock and crops with a production period of two years or less is exempted from the uniform capitalization rules. Farmers producing any goods for sale with a production period of two years or less may elect not to capitalize costs.

Amount

The revenue loss was \$130 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Treatment of Loans Forgiven Solvent Farmers as if Insolvent

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To address certain consequences of farm credit crises.

Background and authority

Sections 108 and 1017 of the Internal Revenue Code, enacted as part of the Tax Reform Act of 1986.

Form

Income tax concession.

To whom and how assistance is provided

Farmers are granted special tax treatment by being forgiven the tax liability on certain forgiven debt. Normally, the amount of loan forgiveness is accounted for as a gain (income) of the debtor, who must either report the gain or reduce his recoverable basis in the property to which the loan relates. If the debtor elects to reduce basis and the amount of forgiveness exceeds his basis on the property, the excess forgiveness is taxable. However, in the case of insolvent (bankrupt) debtors, the amount of loan forgiveness never results in an income tax liability. Farmers with forgiven debt are considered insolvent for tax purposes, and thus qualify for income tax forgiveness. This relief applies only if at least 50 per cent of the taxpayer's gross receipts for the three tax years preceding the tax year in which the discharge of indebtedness occurs is attributable to farming.

Amount

The revenue loss was \$10 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Capital Gains Treatment of Certain Agricultural Income

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To ensure that when farmland is sold, any immature, unharvested crops growing on the land are treated for tax purposes as part of the land and not as personal property ready for sale to customers.

Background and authority

Section 1231 of the Internal Revenue Code.

Form

Income tax concession.

To whom and how assistance is provided

Certain agricultural income, which would normally be taxed as ordinary income, such as receipts from the sale of unharvested crops sold together with farmland, can be treated as capital gains. Income tax rates for individuals on ordinary income ranged from 10 percent to 38.6 per cent in 2002. For individual taxpayers, long-term capital gains are taxed separately from other income, generally at 10 per cent and 20 per cent rates. Gains on assets that are held at least five years and otherwise eligible for the 10 per cent tax rate are taxed at an 8 percent rate in 2002.

Amount

The revenue loss was \$1,010 million in 2002.

Duration

Indefinite; this has been a permanent provision since at least 1954.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Exemption from Excise Tax for Tobacco Products Supplied to Their Employees by Tobacco Product Producers

Period covered by notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To permit producers of tobacco products to supply their workers with free cigarettes and other tobacco products.

Background and authority

Section 5704(a) of the Internal Revenue Code.

Form

Exemption from otherwise applicable excise tax.

To whom and how assistance is provided

Producers of tobacco products may furnish limited quantities of tobacco products for use or consumption by employees without payment of tax.

Amount

The subsidy per unit amounts to the following: (i) for cigarettes, \$19.50 per thousand; (ii) for cigars, \$1.828 to \$48.75 per thousand (depending on size); (iii) for snuff, \$0.585 per pound; (iv) for chewing tobacco, \$0.195 per pound; and (v) for pipe tobacco and roll-your-own tobacco, \$1.0969 per pound.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of these provisions.

**ENERGY & FUELS
(ENERGY DEVELOPMENT, STORAGE AND TRANSPORTATION
& OTHER RELATED SECTORS)**

Title: Renewable Energy Resources (2002)

Period covered by the notification

The period covered by the notification is fiscal year 2002.

Policy objective and/or purpose

To lead the national effort to develop renewable energy technologies, to accelerate acceptance and use of renewable energy technologies and to improve the Nation's overall economy, energy security, and environmental health through the development of clean, competitive power technologies.

Background and authority

This programme is administered by the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE). Legislative authority derives from:

- P.L. 93-409, "Solar Heating and Cooling Demonstration Act" (1974)
- P.L. 93-410, "Geothermal Energy Research, Development and Demonstration Act" (1974)
- P.L. 94-163, "Energy Policy and Conservation Act" (EPCA) (1975)
- P.L. 94-385, "Energy Conservation and Product Act" (ECPA) (1976)

P.L. 95-91, "Department of Energy Organization Act" (1977)
 P.L. 95-618, "Energy Tax Act of 1978"
 P.L. 95-619, "National Energy Conservation Policy Act" (NECPA) (1978)
 P.L. 95-620, "Powerplant and Industrial Fuel Use Act of 1978"
 P.L. 96-294, "Energy Security Act" (1980)
 P.L. 100-12, "National Appliance Energy Conservation Act of 1987"
 P.L. 100-615, "Federal Energy Management Improvement Act of 1988"
 P.L. 101-218, "Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989"
 P.L. 101-549, "Clean Air Act Amendments of 1990"
 P.L. 101-575, "Solar, Wind, Waste, and Geothermal Power Production Incentives Act of 1990"
 P.L. 104-271, "Hydrogen Future Act of 1996"
 P.L. 106-224, "Biomass Research and Development Act of 2000"

Annual appropriations are contained in the Energy and Water Development Appropriations Act for Fiscal Year 2002 and the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2002.

Form

Grants, cooperative agreements, cooperative research and development agreements (CRADAs)⁴ and other forms of collaboration accomplished through consortium-based activities between government laboratories and private industry.

To whom and how assistance is provided

Participation in the programme is determined through various competitive procedures, which are open to all eligible private parties.

Amount

Fiscal year 2002 annual appropriations (approximate dollars in millions)

<i>Total, Renewable Energy Resources</i>	357.4
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Sub-Programmes

Biomass/Biofuels Energy Systems	88.0
Wind Energy Systems	38.6
Solar Energy	89.4
Geothermal Technology Development Programme	27.3
Hydrogen Research	29.2
Hydropower	5.0
Electric Energy Systems and Storage	70.6

⁴ The term "CRADA" has a specific meaning as a result of legislation and regulations developed to implement a variety of US technology promotion and commercialization programs. Generally, a CRADA is a negotiated, contractual agreement between a federal agency or agency laboratory and a private sector partner or partners (including universities and independent research institutions) in which the parties agree on the designation of personnel, facilities, equipment and other resources to a collaborative R&D activity, as well as to the disposition of any intellectual property which the R&D yields. A CRADA is just one of several legal instruments or mechanisms through which government agencies work in partnership with business and academia in pursuit of shared or complementary R&D objectives. Examples of other such instruments are "cooperative agreements," contracts and grants.

High Temperature Superconducting R&D	
Energy Storage Systems	
International Renewable Energy Programme	2.8
Renewable Energy Production Incentive Programme	3.7
Renewable Indian Energy Resources	2.8

Duration

The Renewable Energy Resources program is not subject to any fixed completion date. Its continuation is contingent upon ongoing annual appropriations and authorizations by Congress.

Trade Effects

In light of the scope and nature of the R&D activities being assisted, it is not possible to determine what, if any, trade effects may ever result from this programme.

Title: Energy Conservation Programmes - Transportation Sector

Period covered by the notification

The period covered by the notification is fiscal year 2002.

Policy objective and/or purpose

To support development and use of advanced vehicle technologies and fuels which reduce demand for petroleum, decrease emissions of criteria air pollutants and greenhouse gases, and to enable the US transportation industry to sustain a strong, competitive position in domestic and world markets.

Background and authority

This programme is administered by DOE's Office of Energy Efficiency and Renewable Energy Office of Transportation Technologies (EERE-OTT). Legislative authority derives from:

P.L.93-275, "Federal Energy Administration Act of 1974"
P.L. 93-577, "Federal Nonnuclear Energy Research and Development Act of 1974"
P.L. 94-163, "Energy Policy and Conservation Act" (1975)
P.L. 94-413, "Electric and Hybrid Vehicle Research, Development and Demonstration Act of 1976"
P.L. 95-91, "Department of Energy Organization Act" (1977)
P.L. 95-238, "Title III - Automotive Propulsion Research and Development Act of 1978"
P.L. 96-512, "Methane Transportation Research, Development and Demonstration Act of 1980"
P.L. 100-494, "Alternative Motor Fuels Act of 1988"
P.L. 102-486, "Energy Policy Act of 1992"

Annual appropriations are contained in the Department of the Interior and Related Agencies Appropriations Acts for Fiscal Year 2002.

Form

Assistance under the programme is provided through grants, cooperative agreements, CRADAs⁵ and other forms of collaboration accomplished through consortium-based activities between government laboratories and private industry.

To whom and how assistance is provided

Participation in the programme is determined through various competitive procedures, which are open to all eligible private parties.

Amount

Fiscal Year 2002 Annual Appropriations (approximate dollars in millions)

<i>Total, Energy Conservation, Transportation Sector</i>	242.5
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Sub-Programmes

Vehicle Technologies R&D	155.1
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Hybrid Systems R&D

Fuel Cell R&D

Advanced Combustion Engine R&D

Electric Vehicle R&D

Heavy Vehicle Systems R&D

Cooperative Automotive Research for Advanced Technologies

Fuels Utilization	25.9
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Advanced Petroleum Based Fuels (APBF)

Alternative Fuels

Materials Technologies	40.3
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Propulsion Materials Technology

Automotive Lightweight Materials

High Temperature Materials Laboratory

Technology Deployment	15.2
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Cooperative Programs with States	2.0
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Energy Efficiency Science Initiative	4.0
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Duration

The programme is not subject to any fixed completion date. Its continuation is contingent upon ongoing annual appropriations and authorizations by Congress.

Trade Effects

In light of the scope and nature of the R&D activities being assisted, it is not possible to determine what, if any, trade effects may ever result from this programme.

⁵ See footnote 4, above.

Title: Energy Conservation Programs – Building Technology, State and Community SectorPeriod covered by the notification

The period covered by the notification is fiscal year 2002.

Policy Objective and/or purpose

In partnership with industry and government, the Office of Energy Efficiency and Renewable Energy, Office of Building Technology, State, and Community Programmes (EERE-BTS) develops, promotes, and integrates energy technologies and practices that make buildings more efficient, productive, and affordable.

Background and Authority

Legislative authority derives from:

- P.L. 94-163, "Energy Policy and Conservation Act" (1975)
- P.L. 94-385, "Energy Conservation and Production Act" (1976)
- P.L. 95-91, "Department of Energy Organization Act (1977)
- P.L. 95-618, "Energy Tax Act of 1978"
- P.L. 95-619, "National Energy Conservation Policy Act" (1978)
- P.L. 95-620, "Power Plant and Industrial Fuel Use Act of 1978"
- P.L. 96-294, "Energy Security Act" (1980)
- P.L. 100-12, "National Appliance Energy Conservation Act of 1987"
- P.L. 100-615, "Federal Energy Management Improvement Act of 1988"
- P.L. 102-486, "Energy Policy Act of 1992"

Annual appropriations are contained in the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2002.

Form

Assistance under the programmes is provided through grants, cooperative agreements, CRADAs⁶ and other forms of collaboration accomplished through consortium-based activities between government laboratories and private industry.

To whom and how assistance is provided

Participation in the programmes is determined through various competitive procedures, which are open to all eligible parties.

Amount

Fiscal Year 2002 Annual Appropriations (approximate dollars in millions)

Total, Building Technology, State and Community Sector 365.2

Sub-programmes

Building Research and Standards 62.4

⁶ See footnote 4 above.

Technology Road Maps & Competitive R&D
Residential Buildings Integration Programme
Commercial Buildings Integration Programme
Equipment, Materials, and Tools Programme

Building Technology Assistance	296.8
Weatherization Assistance Programme	
State Energy Programme	
Community Energy Programme	
Energy Star Programme	
Cooperative Programmes with the States	2.0
Energy Efficiency Science Initiative	4.0

Duration

The programme is not subject to any fixed completion date. Its continuation is contingent upon ongoing annual appropriations and authorizations by Congress.

Trade Effects

In light of the scope and nature of the R&D activities being assisted, it is not possible to determine what, if any, trade effects may ever result from this programme.

Title: Energy Conservation – Industry Sector

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To improve the energy efficiency, environmental performance, and productivity of energy-intensive industries by developing and delivering advanced science and technology options.

Background and Authority

These programmes are administered by the Department of Energy, Office of Energy Efficiency and Renewable Energy, Office of Industrial Technologies (OIT). Legislative authority derives from:

P.L. 102-486, "Energy Policy Act of 1992"
P.L. 94-163, "Energy Policy and Conservation Act" (EPCA) (1975)
P.L. 94-385, "Energy Conservation and Production Act" (ECPA) (1976)
P.L. 95-91, "Department of Energy Organization Act" (1977)
P.L. 95-618, "Energy Tax Act of 1978"
P.L. 95-619, "National Energy Conservation Policy Act" (NECPA) (1978)
P.L. 95-620, "Powerplants and Industrial Fuel Use Act of 1978"
P.L. 96-294, "Energy Security Act" (1980)
P.L. 100-12, "National Appliance Energy Conservation Act of 1987"
P.L. 100-615, "Federal Energy Management Improvement Act of 1988"
P.L. 101-218, "Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989"
P.L. 101-549, "Clean Air Act Amendments of 1990"

P.L. 101-575, "Solar, Wind, Waste, and Geothermal Power Production Incentives Act of 1990"

P.L. 93-577, "Federal Non-Nuclear Energy Research and Development Act of 1974"

P.L. 106-224, "Biomass Research and Development Act of 2000"

Annual appropriations are contained in the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2002.

Form

Assistance under the programmes is provided through grants, cooperative agreements, CRADAs⁷ and other forms of collaboration accomplished through consortium-based activities between government laboratories and private industry.

To whom and how assistance is provided

Participation in the programmes is determined through various competitive procedures, which are open to all eligible private parties.

Amount

Fiscal Year 2002 Annual Appropriations (approximate dollars in millions)

<i>Total, Industrial Sector</i>	131.7
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Sub-programmes

Industries of the Future (Specific)	72.6
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- Forest and Paper Products
- Steel Vision
- Aluminum Vision
- Metal Casting Vision
- Glass Vision
- Chemicals Vision
- Petroleum Vision
- Mining Vision
- Agriculture Vision
- Supporting Industries

Industries of the Future (Crosscutting)	53.1
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- Engineered Ceramics/CFCC's
- Advanced Industrial Materials
- Industrial Materials for the Future
- Combustion
- Sensors & Controls
- Inventions and Innovation
- NICE 3
- Industrial Technical Assistance

Cooperative Programmes with States	2.0
Energy Efficiency Science Initiative	4.0

⁷ See footnote 4 above.

Duration

The programme is not subject to any fixed completion date. Its continuation is contingent upon ongoing annual appropriations and authorizations by Congress.

Trade Effects

In light of the scope and nature of the R&D activities being assisted, it is not possible to determine what, if any, trade effects may ever result from this programme.

Title: Fossil Energy Research and Development

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

The programme's goal is to ensure that economic benefits from moderately priced fossil fuels and a strong domestic industry, which creates domestic jobs, are compatible with the expectation for exceptional environmental quality and reduced energy security risks.

Background and authority

The programme is administered by the DOE Office of Fossil Energy. Legislative authority for the programme derives from Title XX, Section 2011 of the Energy Policy Act of 1992 and the Department of the Interior and Related Agencies Appropriation Act for Fiscal Year 2002.

Form: to whom and how assistance is provided

To ensure that Federally funded research and development technologies and analyses are relevant to market and public needs, and transferred to commercial applications, the Office of Fossil Energy participates in joint partnerships with industry utilizing mechanisms such as cost-shared contracts and CRADAs.⁸

Amount

Fiscal Year 2002 Appropriations (approximate dollars in millions)

<i>Total, Fossil Energy Research and Development</i>	497.9
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Subprogrammes

President's Clean Research Initiative	333.0
Clean Coal Power Initiative	
Central Systems	
Sequestration	
Fuels	
Advanced Research	

⁸ See footnote 4, above.

Other Power Systems	56.7
Distributed Generation Systems	
Natural Gas Research	44.0
Petroleum – Oil Technology	56.2
Cooperative Research and Development	8.0

Duration

While it is not subject to any fixed completion date, the programme's continuation is contingent upon ongoing annual appropriations by the Congress.

Trade effects

In light of the scope and nature of the activities being assisted, it is not possible to determine what, if any, trade effects may ever result from this programme.

Title: The Clean Coal Technology Demonstration Programme

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

The general purpose of the Clean Coal Technology Demonstration Programme is to demonstrate a new generation of advanced coal-based technologies which significantly advance the efficiency and environmental performance of either new or existing facilities such that the most promising technologies can successfully be applied toward commercial and operational uses.

Background and authority

This programme is implemented by the Office of Fossil Energy at the DOE. The legislation authorizing the programme is found in Public Law 99-190, the Joint Resolution Making Further Continuing Appropriations for Fiscal Year 1986 and for Other Purposes (19 December 1985). Annual funding has been available under appropriations laws for the Department of the Interior and Related Agencies enacted in various years since 1985. The programme is authorized by the Department of Energy Organization Act.

Form

Participation in the programme is primarily implemented through cost-shared cooperative agreements. The DOE reimburses participants for a fixed percentage of allowable costs, as specified in each agreement. DOE's contribution to a project cannot exceed 50 per cent of allowable costs, and the DOE cost share of each successful demonstration project is later repaid through a 20-year recoupment plan based on future commercial sales of the technology.

To whom and how assistance is provided

Assistance to coal mining/processing/refining firms and related equipment/technology suppliers is determined on the basis of competitively assessed proposals. The 38 active projects in the Program have a total cost of \$5,203,707,000, of which DOE has committed \$1,755,832,000. By law,

the DOE cost share is restricted to no more than 50 percent of total project costs. However, the program has achieved significantly greater leverage of the Federal investment with an overall average non-DOE cost share of 66 per cent.

Amount

In fiscal year 2002, programme funding for operating expenses was \$42,463,000. The programme operates with previously appropriated funding.

Duration

Programme assistance for the last project authorized by this program was awarded in fiscal year 1996. R&D activities conducted under all projects are scheduled to be completed by 2007.

Trade effects

In light of the scope and nature of the technology activities being assisted, it is not possible to determine what, if any, trade effects may ever result from this programme.

OTHER ENERGY AND FUELS⁹

Title: Expensing of Exploration and Development (E&D) Costs for Oil, Gas and other Fuels

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To encourage the development of domestic oil, gas and coal resources.

Background and authority

In the case of successful investments in domestic oil and gas wells, intangible drilling costs, such as wages, the costs of using machinery for grading and drilling and the costs of unsalvageable materials used in constructing wells, may be expensed for tax purposes rather than amortized over the productive life of the property. Integrated oil companies may currently deduct only 70 per cent of such costs and amortize the remaining 30 percent over five years. The same rule applies to the exploration and development costs of surface stripping and the construction of shafts and tunnels for other fuel minerals. The expensing provision is authorized under sections 263(c), 291, 616-617, 57(2), and 1254 of the Internal Revenue Code of 1986. The expensing of intangible drilling costs was originally established in a 1916 Treasury regulation with the rationale that such costs were ordinary operating expenses. Limitations on expensing for integrated oil companies were applied in 1976 and later years.

Form

Income tax concession.

⁹ The programmes in this section are tax-related, authorized under the US Internal Revenue Code.

To whom and how assistance is provided

Fuel mineral producers are permitted accelerated deductions from taxable income.

Amount

The revenue loss was \$150 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Excess of Percentage Over Cost Depletion for Oil, Gas and Other Fuels

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To stimulate the supply of oil and gas, compensate producers for the high risks of prospecting, and relieve the tax burdens of small-scale producers.

Background and authority

Independent (*i.e.*, non-integrated) fuel mineral producers and royalty owners are generally allowed to take percentage depletion deductions rather than cost depletion on limited quantities of output for tax purposes. Under cost depletion, outlays are deducted over the productive life of the property based on the fraction of the resource extracted. Under percentage depletion taxpayers deduct a percentage of gross income from mineral production at rates of 15 per cent for oil, gas and oil shale, and 10 per cent for coal. The deduction is limited to 50 per cent of net income from the property, except for oil and gas where the deduction can be 100 percent of net property income. For domestic production from marginal wells, the 100 per cent of net income limitation has been suspended for taxable years before 1 January 2004. Additionally, the percentage depletion deduction for all oil and gas properties may not exceed 65 per cent of the taxpayer's overall income and is limited to 365,000 barrels per year per taxpayer. Production from geothermal deposits is eligible for percentage depletion up to 65 per cent of net income, but with no limit on output and no limitation with respect to qualified producers. Unlike depreciation or cost depletion, percentage depletion deductions can exceed the cost of the investment.

Percentage depletion is authorized under sections 611-613, 613A, and 291 of the Code. Percentage depletion for oil and gas goes back to 1918 or before and was extended to coal and most other minerals in 1932. The Tax Reduction Act of 1975 eliminated the percentage depletion allowance for major oil and gas companies and reduced the rate for independents to 15 per cent for 1984 and beyond.

Form

Income tax concession.

To whom and how assistance is provided

Independent fuel mineral producers and royalty owners are permitted deductions from taxable income for percentage depletion.

Amount

A deduction from income is allowed for the greater of cost or percentage depletion. Percentage depletion is 15 per cent of revenue for independent (smaller) oil and gas producers and 10 per cent for coal producers. The revenue loss was \$610 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Alternative Fuel Production Credit

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To provide incentives for the private sector to increase the development of alternative domestic energy resources because of concern over oil import dependence and national security.

Background and authority

A tax credit of \$3 per barrel (in 1979 dollars) of oil-equivalent production is provided for several forms of alternative fuels. The credit begins to phase out if the annual average unregulated wellhead price per barrel of domestic crude oil exceeds \$23.50 (in 1979 dollars). The credit is authorized under section 29 of the Internal Revenue Code and was instituted as part of the Crude Oil Windfall Profit Tax Act of 1980.

Form

Income tax concession.

To whom and how assistance is provided

Producers and royalty owners of qualifying production are permitted credits against federal income tax.

Amount

The revenue loss was \$1.6 billion in 2002.

Duration

For most qualifying fuels, the production tax credit was available through 2002, provided that the wells were drilled before 1993. For gas produced from biomass, and synthetic fuels produced from coal or lignite, the credit is available through 2007, provided that the facility is placed in service before July 1998.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Capital Gains Treatment of Royalties on Coal

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To encourage the development of the domestic coal industry.

Background and authority

The capital gains tax treatment is authorized under sections 1231 and 631 of the Internal Revenue Code. When the capital gain rate is below the regular tax rate, the owner is not entitled to percentage depletion provided in section 613 of the Internal Revenue Code.

Form

Income tax concession.

To whom and how assistance is provided

Sales of certain coal under royalty contracts can be treated as capital gains for tax purposes. Income tax rates for individuals on ordinary income ranged from 10 per cent to 38.6 per cent in 2002. For individual taxpayers, long-term capital gains are taxed separately from other income, generally at 10 per cent and 20 per cent rates. Gains on assets that are held at least five years and otherwise eligible for the 10 per cent tax rate are taxed at an 8 per cent rate in 2002.

Amount

The revenue loss was \$100 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Enhanced Oil Recovery (EOR) Credit

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To increase the domestic supply of oil and to enhance the energy security of the United States.

Background and authority

An EOR tax credit is provided equal to 15 percent of the taxpayer's costs for tertiary oil recovery on projects in the United States. Qualifying costs include tertiary injectant expenses, intangible drilling and development costs on a qualified enhanced oil recovery project, and amounts incurred for tangible depreciable property. Thus, this credit encourages use of tertiary methods in situations where it would not be profitable otherwise. The EOR credit may not exceed taxpayer's net income tax in excess of 25 percent of net regular tax liability above \$25,000 or the tentative minimum tax. The EOR tax credit is authorized under section 43 of the Code and was enacted as part of the Omnibus Budget and Reconciliation Act of 1990.

Form

Income tax concession.

To whom and how assistance is provided

Petroleum producers and royalty holders applying approved tertiary petroleum recovery methods receive a credit against federal income tax.

Amount

The revenue loss was \$330 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: New Technology Credit: Solar and Geothermal Energy Facilities

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To reduce US consumption of oil and natural gas by encouraging the commercialization of renewable energy technologies and to enhance national security.

Background and authority

A tax credit of 10 per cent of the basis of each energy property placed in service during any taxable year is available for investment in solar and geothermal energy facilities. The tax credit is authorized by sections 46 and 48 of the Internal Revenue Code. Business tax credits were part of the Energy Tax Act of 1978 and were altered in subsequent legislation. The Energy Policy Act of 1992 made the credit permanent.

Form

Income tax concession.

To whom and how assistance is provided

The credit reduces income taxes for non-utility taxpayers that invest in qualifying equipment.

Amount

The annual revenue loss was less than \$100 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Alcohol Fuel Credit and Partial Exemption from Federal Excise Tax on Gasoline

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To encourage the substitution of alcohol fuels produced from renewable sources for gasoline and diesel fuel.

Background and authority

This provision exempts gasohol, a motor fuel composed of at least 10 percent alcohol (including methanol) which is not produced from petroleum, natural gas, coal, or peat, from 5.3 cents (6.0 cents for methanol) of the 18.4 cents per gallon Federal excise tax on gasoline. Smaller exemptions are allowed for motor fuel with lower alcohol content. There is a corresponding income tax credit for alcohol used as a fuel in applications where the excise tax is not assessed. This credit is equal to 53 cents per gallon for alcohol (60 cents for methanol) used as a fuel. In addition, small producers of ethanol are eligible for a 10 cent per gallon income tax credit. The credit is included in a taxpayer's income.

The alcohol fuel credits are authorized by sections 38 and 40 of the Internal Revenue Code. The excise tax exemptions are authorized by sections 4041, 4081, and 4091 of the Code. The alcohol fuels mixture credit and the pure alcohol fuels credit were enacted as part of the Crude Oil Windfall Profit Tax of 1980, at the rate of 40 cents per gallon for alcohol that was 190 proof or more, and 30 cents per gallon for alcohol between 150 and 190 proof. The credits were increased in 1982 and 1984. The Omnibus Reconciliation Act of 1990 reduced the credits to 54 cents and 40 cents for ethanol and ethanol blends and introduced the 10-cent-per-gallon income tax credit for small ethanol producers. In 1998, the Transportation and Equity Act for the 21st Century reduced the alcohol fuel credit and excise tax exemption, as described above.

Form

Income tax concession and reduced excise tax rates on fuels containing alcohol.

To whom and how assistance is provided

The credits reduce federal income tax of qualifying producers and blenders. The seller of alcohol fuels containing at least 85 per cent alcohol derived from natural gas pays the applicable, lower motor fuel excise tax rate. The blender of ethanol-based fuels (and methanol not produced from petroleum, natural gas, coal or peat) who mixes ethanol or another qualified alcohol with gasoline or diesel fuel to produce gasohol or diesohol may purchase gasoline or diesel fuel from a seller at a terminal rack at excise tax-reduced rates or receive a refund if he later mixes fully taxed fuels with alcohol; these mixtures must contain at least 5.7 per cent alcohol to enjoy the favorable excise tax treatment.

Amount

The alcohol mixture (or blender's) credit and the pure alcohol fuel credit is 53 cents per gallon of ethanol (60 cents for methanol) of at least 190 proof, and 39.26 cents per gallon of alcohol between 150 and 190 proof (45 cents for methanol). The 53 cents credit for ethanol is reduced to 52 cents for the period 2003-2004 and the 39.26 cents credit for ethanol is reduced to 38.52 cents for the period 2003-2004. The small ethanol producer credit is 10 cents per gallon of ethanol. The annual revenue loss was \$30 million in fiscal year 2002.

In lieu of the blender's credit, fuel ethanol blenders may claim an excise tax exemption. The annual revenue loss for the excise tax exemption was \$1,070 million in fiscal year 2002.

Duration

The credits expire at the end of the year 2007; the reduced excise tax rates expire 30 September 2007.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Credits for Electricity Production from Wind, Biomass, and Poultry Waste

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To encourage the development and utilization of electric generating technologies that use specified renewable energy resources, as opposed to conventional fossil fuels.

Background and authority

Taxpayers are allowed a 1.5 cents credit (adjusted for inflation) per kilowatt hour for electricity produced from qualified wind energy, "closed-loop" biomass and poultry waste. The credit is indexed for inflation after 1992 and was 1.8 cents per kilowatt hour in 2002. The electricity must be produced from a facility owned by a taxpayer and it must be sold to an unrelated third party. The credit is allowed for the first ten years of production from a new facility. The credit applies to electricity produced by a wind energy facility placed in service after 31 December 1993, and before 1 January 2004, to electricity produced by a closed-loop biomass facility placed in service after 31 December 1992, and before 1 January 2004, and to a poultry waste facility placed in service after 31 December 1999, and before 1 January 2004. The provision for wind and biomass was adopted as part of the Energy Policy Act of 1992 and was extended to poultry waste in the Tax Relief Extension Act of 1999. This provision is authorized in section 45 of the Internal Revenue Code.

Form

Income tax concession.

To whom and how assistance is provided

The credit reduces federal income taxes for taxpayers producing electricity from wind, biomass and poultry waste.

Amount

The amount of the credit is \$ 0.015 per kilowatt hour (adjusted for inflation), produced from qualified wind, biomass or poultry waste. The credit equalled \$0.018 per kilowatt hour in 2002. The annual revenue loss was less than \$100 million in 2002.

Duration

The tax credit applies to new facilities placed in service before 2004.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

FISHERIES¹⁰

Title: Fisheries Finance Program (FFP)

Prior to 1996, this programme was known the Fisheries Obligation Guarantee (FOG) Programme.

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

The purpose of FFP is to provide fixed-rate financing with a term equal to the estimated useful life of the equipment financed. The predecessor programme – the FOG Programme – which operated from 1972 through 1990, provided government-backed loan guarantees to the US commercial fishing sector for the construction, reconstruction, replacement and, under certain circumstances, the purchase of fishing vessels. Since 1991, the programme has been barred by NOAA policy and Congressional directives from financing any project that could be construed to lead to overcapitalization of any fishery. In 1994, the programme's regulations were amended to reflect this change in policy.

In 1996, the FOG Program began providing direct loans, and the name of the programme was changed to the Fisheries Finance Programme. At this time, FFP lending authority was extended to include aquaculture, vessel buybacks, Individual Fishing Quota (IFQ) purchases (limited to the Halibut and Sablefish fishery) and Community Development Quota loans.

Background and authority

Background is provided above. The statutory authority for the FOG Programme and FFP is the Merchant Marine Act of 1936, as amended. This programme is administered by the National Marine Fisheries Service (NMFS).

Form

The FFP programme provides direct loans to the fishing industry. The interest rates charged on FFP loans are 2 percentage points above comparable maturity Treasury Bond yields as of the date of the loan closing.

¹⁰ Because no "buy-back" programmes were executed in fiscal year 2002, this notification does not include a section on US buy-back programmes. However, as indicated below, and as indicated in the US notification submitted in June 2002, loans provided under earlier buy-back programmes are still outstanding. Additionally, for transparency purposes, under the Fishery Financing Program, we have provided information regarding certain buy-back programmes which have been authorized for fiscal year 2003.

To whom and how assistance is provided

Under the FFP, loans are provided directly to fishermen to finance any of the activities listed above.

Amount

In light of the many loans currently outstanding, and variations in amortization schedules and interest rates, the calculation of any subsidy amount, and especially the subsidy per unit, is not readily attainable. Below is a table showing the total amount of *loans* that have been authorized since 1997. (If this programme provided a subsidy, the benefit would be based on the difference between the interest rate charged under the programme and the amount the firm would pay on a comparable commercial loan.)

FFP LOAN CEILINGS (IN MILLIONS OF DOLLARS)							
TYPE OF LOAN	FY'97	FY'98	FY'99	FY'00	FY'01	FY'02	FY'03
Traditional	\$25	\$24	\$24	\$24	\$19	\$19	\$59
Halibut/Sablefish IFQ	\$0	\$0	\$5	\$5	\$5	\$5	\$5
Community Development Quota	\$0	\$0	\$25	\$0	\$0	\$0	\$0
NE Multispecies	\$23	\$0	\$0	\$0	\$10	\$0	\$0
Pollock Buyback	\$0	\$0	\$75	\$0	\$0	\$0	\$0
Crab Buyback	\$0	\$0	\$0	\$0	\$0	\$0	\$100
Pacific Groundfish Buyback	\$0	\$0	\$0	\$0	\$0	\$0	\$36
NE Multispecies Buyback	\$0	\$0	\$0	\$0	\$0	\$0	\$45

It is important to note, that due to the relatively high interest rates charged on these loans and the relatively low default rate, FFP is a self-financing programme. In other words, the programme historically has not resulted in a net outflow of government funds.

Duration

Indefinite.

Trade effects

Since 1991, the FFP has been barred by NOAA policy and Congressional directives from financing any project that could be construed to lead to overcapitalization of any fishery. Because of this policy, and because any subsidy element that might be attributable to this programme is small or nonexistent, the trade effects from this program are likely to be minimal, if any.

Title: Saltonstall-Kennedy Grant Program: Fisheries Research and DevelopmentPeriod covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

This programme uses funds derived from duties collected on fishery imports to fund a wide range of research and development grants that mostly support effective conservation and management

of US fisheries and fisheries communities by increasing the biological, economic, and social information needed for sound management.

Background and authority

The legislative authority for this program goes back to the Saltonstall-Kennedy Act of 1954. However, the current grant programme was established by the American Fisheries Promotion Act of 1980, which amended the Saltonstall-Kennedy Act (15 U.S.C. 713c-3(c)). The National Marine Fisheries Service administers the programme.

Form

Grants are awarded annually on a competitive basis.

To whom and how assistance is provided

This programme is open to: citizens or nationals of the US; citizens of the Northern Mariana Islands (NMI), Republic of the Marshall Islands, Republic of Palau, or the Federated States of Micronesia, corporations, partnerships, associations, or other non-Federal entities, non-profit or otherwise (including Native American tribes) within the meaning of section 2 of the Shipping Act of 1916, as amended. Federal employees and Fishery Management Councils and their employees are ineligible. Projects are selected for funding through a competition/call for proposals announced in the *Federal Register*.

Amount

It is difficult to estimate a subsidy per unit for a diverse R&D grant programme. Forty-six proposals were recommended for funding in fiscal year 2002 totalling approximately \$7.6 million, about half of which, or \$3.5 million, was recommended for aquaculture projects.

Duration

Indefinite.

Trade effects

The trade effects if any, of this programme are negligible, due to the programme's emphasis on the reduction of incidental catch (bycatch), reduction of pressure on over-fished stocks, product quality/safety and promotion of progress toward sustainable fisheries. Moreover, much of the results of research conducted with Saltonstall-Kennedy funds is in the public domain.

Title: Sea Grant

Industry assistance is provided under the National Sea Grant College Programme.

Period covered by the notification

The period covered by this notification is fiscal year 2002

Policy objective and/or purpose

The Sea Grant programme provides grants to selected universities to carry out research that addresses many aspects of the long-term economic development, environmental stewardship, and responsible use of marine and inland resources, including fish and shellfish. A majority of these grants is intended to support effective conservation and management of US fisheries, rather than to assist commercial activities. However, a small number of Sea Grant projects benefit industry, and, for that reason, in the interests of transparency, this programme has been included in this notification.

Background and authority

In 1965, Sea Grant Colleges were first identified through an amendment to the National Science Foundation Act of 1950, and, in 1966, the programme was formally established with passage of the National Sea Grant College and Program Act. More than 200 individual colleges and universities in thirty state Sea Grant programs currently participate in this programme.

Form

Direct federal grants are normally paid to an academic institution or other organization.

To whom and how the assistance is provided

The grant is provided to any individual; any public or private corporation, partnership, or other association or entity (including any sea grant college, sea grant institute or other institutions); or any state political subdivision, or agency or officer thereof. Each Sea Grant institution administers a "request for proposal" (RFP) process to address local and state concerns. The National Marine Fisheries Service headquarters administers a separate RFP process to elicit proposals with a national scope.

Amount

The large majority of grants under this programme support research in subject areas (*e.g.*, aquatic nuisance species; coastal economic development; coastal habitat enhancement; coastal hazards; and education), that do not directly provide economic benefits to the fishing industry. Therefore, it is difficult to determine the value of any subsidy that may be provided under this programme. Total programme expenditures were \$102.90 million for fiscal year 2002. (This total represents both federal government funds – approximately 67 per cent – and matching funds from state partners – approximately 33 percent.)

Duration

Federal grants for research and development under the Sea Grant programme are provided annually, although some of the projects are multi-annual. The duration of the programme itself is indefinite.

Trade effects

Like the Saltonstall-Kennedy Grant Programme, the Sea Grant Programme is not an industry or trade promotion programme. Very little of the funds provided directly impact the US fishing industry. Additionally, much of the results of research conducted with Sea Grant funds is in the public domain. In light of these considerations, the trade effects of this program, if any, are likely to be minimal.

Title: Columbia River Hatcheries

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

The Mitchell Act (16 USC 755-757; 52 Stat. 345) authorizes the Secretary of Commerce to carry on activities for the conservation of fishery resources in the Columbia River Basin. The Mitchell Act specifically directs establishment of salmon hatcheries, the conduct of engineering and biological surveys and experiments, and the installation of fish protective devices. It also authorizes agreements with state fishery agencies and construction of facilities on state-owned lands. The major objective of this program has traditionally been to mitigate the negative effects of lost salmon habitat caused primarily by the building of dams for hydroelectric power, and also by other factors, such as agricultural runoffs, logging, and urban development. Over the years, Mitchell Act hatchery production has changed to meet two other objectives. First, some hatchery production has shifted to areas above the Bonneville Dam in order to provide harvestable salmon under the Columbia River Treaty Indian Trust. Second, a portion of the hatchery production is being shifted to fulfill a conservation role in preserving endangered salmon stocks (captive breed) and supplementing their recovery. With the application of the Endangered Species Act throughout the Columbia River Basin, substantial changes have been, and will continue to be, required of the Mitchell Act Program.

Background and authority

The Mitchell Act salmon hatcheries program has received federal appropriations since 1950, and is funded by general appropriations legislation.

Form

The US Government provides operating grants to Columbia River Fisheries Development Program salmon hatcheries run by the Oregon Department of Fish and Wildlife, the Washington Department of Fish and Wildlife, the Confederated Tribes and Bands of the Yakama Nation and the US Fish and Wildlife Service, Department of Interior.

To whom and how assistance is provided

The funds are provided to the Oregon Department of Fish and Wildlife, the Washington Department of Fish and Wildlife, and the Confederated Tribes and Bands of the Yakama Nation through Cooperative Agreements. Funds are also provided to the US Fish and Wildlife Service through an intergovernmental transfer.

Amount

In fiscal year 2002, the appropriation under the Mitchell Act programme was \$16.53 million, including about \$11.46 million to fund the operations and maintenance of the hatchery programme in Oregon and Washington.

Duration

Indefinite.

Trade effects

The basic purpose of salmon hatcheries is to mitigate habitat and other losses associated with other federally-supported activities, and to restore depleted salmon resources, especially certain runs of chinook and coho salmon. It is not possible to determine precisely the contribution of Columbia hatchery-reared fish to the commercial harvests in either waters off Washington, Oregon, and California or off Alaska, but it is generally accepted that they have no discernible trade effect.

LUMBER & TIMBER

Title: Capital Gains Treatment of Certain Timber Income

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To encourage domestic timber production.

Background and authority

The capital gains tax treatment is authorized under sections 1231 and 631 of the Internal Revenue Code. The provision was originally enacted in 1943.

Form

Income tax concession.

To whom and how assistance is provided

Certain timber sold under a royalty contract can be treated as capital gains for income tax purposes. Income tax rates for individuals on ordinary income ranged from 10 per cent to 38.6 per cent in 2002. For individual taxpayers, long-term capital gains are taxed separately from other income, generally at 10 per cent and 20 per cent rates. Gains on assets that are held at least five years and otherwise eligible for the 10 per cent tax rate are taxed at an 8 percent rate in 2002.

Amount

The revenue loss was \$100 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Expensing of Multiperiod Timber Growing Costs

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

The original ability to expense indirect costs of timber growing was apparently part of a general perception that these costs were maintenance costs, and thus deductible as ordinary costs of a trade or business. Following a series of revenue rulings and court cases over the years distinguishing between what expenses might be deductible and what expenses might be capitalized, the Tax Reform Act of 1986 included uniform capitalization rules which required indirect expenses to be capitalized in most cases. Where the application of these rules was deemed to be unduly burdensome, exceptions were provided.

Background and authority

Generally, costs must be capitalized when goods are produced for inventory used in one's own trade or business, or under contract to another party. Timber production, however, was specifically exempted from these multiperiod cost rules and permitted to subject such costs to current expensing. This expensing is authorized by sections 162 and 263A(c)(5) of the Internal Revenue Code.

Form

Income tax concession.

To whom and how assistance is provided

Timber owners can expense, rather than capitalize, certain deductions from taxable income.

Amount

The revenue loss was \$360 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Investment Credit and Seven-Year Amortization for Reforestation Expenditures

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To promote reforestation on private timberlands.

Background and authority

A special 10 per cent investment tax credit is allowed for up to \$10,000 invested annually in clearing land and planting trees for the ultimate production of timber. The same amount of forestation investment may also be amortized over a seven-year period. Without this preference, the amount would have to be capitalized and could be recovered (deducted) only when the trees were sold or harvested 20 or more years later. Moreover, the amount of forestation investment that is amortizable is reduced by one-half of the investment credit that is allowed. These provisions are authorized by sections 48(b) and 194 of the Internal Revenue Code. They were originally enacted in the Recreational Boating Safety and Facilities Improvement Act of 1980.

Form

Income tax concession.

To whom and how assistance is provided

Applies to taxpayers on the reforestation costs incurred during the year as allowances against federal income taxes.

Amount

The revenue loss was less than \$10 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

MEDICAL

Title: Orphan Drug Tax Credit

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To encourage research on drugs for rare diseases or conditions.

Background and authority

The provision provides a 50 per cent tax credit for qualified clinical testing expenses incurred in testing of certain drugs for rare diseases or conditions, referred to as “orphan drugs”. Qualified testing expenses are costs incurred to test an orphan drug after the drug has been approved for human testing by the Food and Drug Administration (FDA), but before the FDA approves it for sale. A rare disease or condition is one that affects less than 200,000 persons in the United States, or affects more than 200,000 persons, but for which there is no reasonable expectation that businesses could recoup the costs of developing a drug for such disease or condition from U.S. sales of the drug. The credit originally was enacted as a temporary provision in 1983 under the Orphan Drug Act, and was extended on several occasions. The credit expired after December 31, 1994, and later was reinstated for the period July 1, 1996, through May 31, 1997. The Taxpayer Relief Act of 1997 made the credit permanent. The orphan drug credit is authorized under section 45C of the Internal Revenue Code.

Form

Income tax concession.

To whom and how assistance is provided

Taxpayers undertaking qualified research on orphan drugs receive a credit against federal income tax.

Amount

The revenue loss was \$140 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: The Office of Isotopes for Medicine and Science

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

The mission of the programme is to serve the national need for a reliable supply of isotope products, services and related technology used in medicine, industry and research, and support advanced research exploring the use of isotopes to advance medical technology.

Background and authority

The DOE Office of Nuclear Energy, Science and Technology, Office of Isotopes for Medicine and Science administers the programme. The Atomic Energy Act of 1954, Public Law

No. 101-101 and Public Law No. 103-316, authorize DOE to sell isotope products, related services, and surplus material. Appropriations are contained in the Energy and Water Development Appropriations Act for fiscal year 2002.

Form

Assistance is provided through the manufacture and sale of isotope products.

To whom and how assistance is provided

Isotopes are sold to a variety of commercial and research institutions in the medical, industrial, and research communities of both a commercial and non-commercial orientation, both in the United States and abroad. DOE sells commercial isotopes at full-cost recovery. Starting in fiscal year 2002 with full implementation in fiscal year 2003, DOE is applying a more formal, peer-review structure to the selection of research isotopes for production and distribution.

Amount

Production expenses associated with processing and distributing isotopes are offset by revenue generated from sales. The programme obligated \$24 million in fiscal year 2002.

Duration

The activity is of indefinite duration; the program operates with a revolving fund and maintains financial viability through its revenues from sales.

Trade effects

Even if it were possible to quantify trade effects which might ensue from a programme of this nature, it is doubtful that this particular program has led to any meaningful trade effects. The isotopes made available have been sold throughout the world to over 300 customers, primarily for medical research.

METALS, MINERALS AND EXTRACTION (NON-FUEL)

Title: Excess of Percentage over Cost Depletion for Non-fuel Minerals

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To encourage the development of the domestic non-fuel mineral industry.

Background and authority

The provisions permit most non-fuel mineral extractors to make use of percentage depletion rather than cost depletion, with percentage depletion rates ranging from 22 percent for sulphur to 5 per cent for sand and gravel. Percentage depletion is authorized by sections 611-613 and 291 of the Code. Percentage depletion similar to its current form was provided in 1932 at 23 percent for sulphur and 15 per cent for metal mines. From 1932 to 1950, percentage depletion was extended to most other

minerals. The Revenue Act of 1951 granted it to more minerals. In 1954, still more minerals were granted the allowance. In 1969, the top depletion rates were reduced. The Tax Equity and Fiscal Responsibility Act of 1982 reduced the allowance for corporations that mined iron ore by 15 per cent. The Tax Reform Act of 1986 raised the cutback in corporate allowances of iron ore from 15 to 20 per cent.

Form

Income tax concession.

To whom and how assistance is provided

Non-fuel mineral extractors are permitted deductions from taxable income for depletable expenditures equal to the larger of percentage or cost depletion.

Amount

The revenue loss was \$260 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of these provisions.

Title: Expensing of Exploration and Development Costs for Non-fuel Minerals

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To encourage the development of domestic non-fuel mineral industry.

Background and authority

These provisions permit certain capital outlays associated with exploration and development of nonfuel minerals to be expensed rather than depreciated over the life of the asset. These provisions are authorized by sections 263, 263A, 291, 616-617, 56 and 1254 of the Internal Revenue Code. Expensing of mine development expenditures was enacted in 1951 to reduce ambiguity in the then-existing treatment of, and to encourage, mining. The provision for mine exploration was added in 1966. The Tax Equity and Fiscal Responsibility Act of 1982 limited expensing for corporations to 85 per cent; the remaining 15 per cent must be depreciated.

Form

Income tax concession.

To whom and how assistance is provided

Non-fuel mineral producers and royalty owners are permitted expensing of certain capital outlays associated with the development of nonfuel minerals rather than amortization over the life of the mine for federal income tax purposes.

Amount

The annual revenue loss was \$30 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of these provisions.

Title: Capital Gains Treatment of Iron Ore

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose

To encourage the mining of domestic iron ore.

Background and authority

The capital gains tax treatment is authorized under sections 1231 and 631 of the Code. As with coal, percentage depletion is not allowed when the capital gains tax rate is below the regular tax rate.

Form

Income tax concession.

To whom and how assistance is provided

Certain iron ore and timber sold under a royalty contract may be treated as capital gains for income tax purposes. Income tax rates for individuals on ordinary income ranged from 10 per cent to 38.6 per cent in 2002. For individual taxpayers, long-term capital gains are taxed separately from other income, generally at 10 per cent and 20 per cent rates. Gains on assets that are held at least five years and otherwise eligible for the 10 per cent tax rate are taxed at an 8 percent rate in 2002.

Amount

The annual revenue loss was less than \$2.5 million in 2002.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Special Rules for Mining Reclamation Reserves

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

In allowing the current deduction of mine reclamation and similar expenses, the provisions encourage reclamation and prevent adverse economic effects on mining firms that might result from the application of general tax rules regarding deduction for future costs.

Background and authority

The provisions permit taxpayers to establish reserves to cover certain costs of mine reclamation and of closing solid waste disposal properties. Net increases in reserves may be taken as a deduction against taxable income. The provisions are authorized by section 468 of the Internal Revenue Code and were enacted in 1984.

Form

Income tax concession.

To whom and how assistance is provided

Taxpayers with mining and solid waste disposal properties receive deductions from taxable income based on the accrual of liabilities rather than the realization of costs.

Amount

The annual revenue loss was less than \$5 million.

Duration

Indefinite.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: Emergency Steel Loan Guarantee Programme

Period covered by the notification

This period covered is calendar year 2002.

Policy objective and/or purpose

The overall purpose of this programme is to assist steel companies injured by the import crisis.

Background and authority

The Emergency Steel Loan Guarantee Act of 1999 was signed into law on 17 August 1999. The Guarantee Board, consisting of representatives of the Federal Reserve System, the Securities and Exchange Commission, and the Department of Commerce, administer the programme and have the authority to guarantee loans until December 31, 2003.

Form

The programme guarantees loans up to 95 percent of the principal amount of loans provided by private banks.

To whom and how assistance is provided

The programme may guarantee loans provided to qualified steel companies by private banking and investment institutions in accordance with the rules established by the Guarantee Board. The Board has the authority to make commitments for guarantees of loans up to \$1 billion. The amount guaranteed to any single qualified steel company cannot exceed \$250 million.

Amount

The Board received an application for guarantee of a \$250 million loan in September 2002 that was approved for guarantee in March 2003.

Duration

The Board's authority to issue guarantees expires on 31 December 2003, so the deadline for applications was 30 June 2003. The Board received two additional applications by the 30 June deadline that are in the process of being evaluated.

Trade Effects

It is not possible to estimate what trade effects, if any, may result from this program.

TEXTILES¹¹

Title: The Textile/Clothing Technology Corporation Programme (TC2)

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

The Textile/Clothing Technology Corporation is a non-profit membership organization designed to stimulate economic growth in the US textile and apparel sector. It has programmes to demonstrate advanced equipment and techniques, to educate participants in the sector, and to do basic research. Only the basic research element is funded by the federal government through a grant from the US Department of Commerce (DOC). The basic research is performed internally by the organization and, in part, by external entities on a contractual basis. The results of the basic research are made available throughout the textile and apparel sector of the United States. No production subsidies are provided under this programme.

Background and authority

The programme is administered by the DOC's Office of Textiles and Apparel. Authorization and funding for the programme is provided for as part of the annual budget and appropriations process for the DOC.

Form

Assistance is provided under this programme in the form of grants.

To whom and how assistance is provided

A grant is provided to the Textile/Clothing Technology Corporation following the presentation of a proposal describing the research projects that will be undertaken.

Amount

Approximately \$2.9 million was appropriated in fiscal year 2002.

Duration

Grants were first distributed under the programme in 1981. Funding must be reauthorized by the US Congress on an annual basis.

Trade effects

In light of the scope and nature of the R&D activities being assisted, it is not possible to determine what, if any, trade effects may ever result from this programme. While it is anticipated that successful research projects may lead to the development of technologies that would enable companies in the textile and apparel sector to improve their productivity, TC2 assistance does not directly benefit the production or export of particular companies or products.

¹¹ The American Textile Partnership (AMTEX) Programme was completed in 2001.

TIMEPIECES AND JEWELLERY

Title: The Insular Possessions Watch and Jewellery Programme.

Period covered by the notification

The period covered is calendar year 2002.

Policy objective and/or purpose

The insular watch and jewellery programme is designed to encourage watch and jewellery production in the US insular possessions and thereby stimulate development of the insular economies.

Background and authority

The US Department of Commerce and the US Department of the Interior jointly administer the Insular Possessions watch portion of the programme under Public Law 97-446, as amended by Public Law 103-465. The watch portion provides for duty exemptions and duty refunds in the form of negotiable production incentive certificates.

Public Law 106-36 amended additional US notes to chapter 71 of the Harmonized Tariff Schedule of the United States ("HTS") to provide a duty-refund benefit for any article of jewellery within heading 7113 that is a product of the US Virgin Islands, American Samoa, Guam and the Northern Mariana Islands in accordance with the new provisions of the note in chapter 71 and additional US Note 5 to chapter 91. The new jewellery portion of the programme is also administered by the US Department of Commerce and the US Department of the Interior. The jewellery portion of the programme, like the watch portion, provides for duty refunds in the form of negotiable production incentive certificates, but does not provide for duty exemptions.

To whom and how assistance is provided

The assistance is provided to watch and jewellery producers located in the US Virgin Islands, American Samoa, Guam and the Northern Mariana Islands. At present, there are producers only in the US Virgin Islands.

The watch portion of the program establishes an annual allocation for watches and watch movements assembled in these areas to enter the United States free of duty. Both the watch and jewellery portions of the programme provide production incentive certificates which authorize a duty refund from Customs on (HTS non-column 2) watch movements, watches and parts thereof that have entered the United States duty-paid. The subsidy amount is based on the duty foregone on the finished watches and watch movements, as well as the value of the production certificates issued to watch and jewellery companies. Since the watches, the watch movements and jewellery produced under the program already receive duty-free treatment, the certificate is negotiable and may be transferred to another company having a record of duty-paid watch imports. The value of the certificate is based on the producer's average creditable wages per unit shipped free of duty into the United States multiplied by a factor of 90 per cent for the first 300,000 units and by declining percentages in additional increments up to a maximum of 750,000 units.

Amount**Production Incentive Certificate ("PIC")**

Year (1)	Product	Total Amount (2)
2002	Watches	\$2,701,067
2002	Jewelry	\$1,244,231

- (1) The PIC is based on the wages and shipments made during the above mentioned calendar year.
- (2) 1 per cent is deducted from the total amount of the duty refund shown above to cover the administrative costs of processing by Customs.

Duty Exemption**Amount (3)**

2002	\$298,422
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- (3) We calculated the amount of the duty paid by using an approximate total trade ad valorem equivalent rate of 6 per cent multiplied by the total yearly amount of the invoices billed to customers.

Duration

Under differing programmes, general duty suspensions for insular products appear to date back to US acquisition of the territories - 1917, in the case of the US Virgin Islands. The criteria were made uniform in 1954, and a limit was placed on watches in 1967. The jewellery portion of the program does not contain a limit. The production incentive certificates were authorized for watches in 1983 for a 12-year period, and preauthorized for an additional 12-year period in 1995. The certificates for jewellery were authorized in 1999 for the duration of the watch authorization.

Trade Effects

Although the precise trade effects cannot be determined, producers benefitting from this programme account for less than 1 per cent of US annual domestic consumption and do not ship to non-US customers.

OTHER**Title: Advanced Technology Programme**Period Covered by the Notification

The period covered is fiscal year 2002

Policy objective and/or purpose

The Advanced Technology Program (ATP) of the US Department of Commerce's National Institute of Standards and Technology is a partnership between government and private industry to accelerate the development of high-risk technologies that promise significant commercial payoffs and widespread benefits for the US economy. In sharing the relatively high development risks of

technologies that potentially enable a broad range of new commercial opportunities, possibly across several industries, ATP fosters projects with a high payoff for the US economy as a whole. The nature of ATP projects, risky but broadly applicable, stimulates joint research ventures that link small suppliers with users or link several firms together to solve a generic problem common to all. The ATP holds annual competitions open to proposals in all areas of technology, and has provided cost-shared financial assistance for the development of a wide span of advanced technologies.

Because there are no de jure limitations on who may participate in ATP as a whole, and given the wide variety of technologies and industrial sectors that have participated, the United States has routinely considered that there is no readily available evidence to suggest that this program should fall within the scope of our notification. However, recognizing that this is an exercise in transparency, we have provided available information about the programme.

Background and authority

The programme is operated by the National Institute of Standards and Technology under the auspices of the Technology Administration of the US Department of Commerce.

Form

The ATP does not fund product development. It supports enabling technologies that are essential to the development of new products, processes, and services across diverse application areas. Private industry bears the costs of product development, production, marketing, sales, and distribution. Moreover, ATP awards are made strictly on the basis of rigorous peer-reviewed competitions designed to select the proposals that are best qualified in terms of the technological ideas, the potential economic benefits to the nation (not just the applicant), and the strength of the plan for eventual commercialization of the results. Expert reviewers (without conflicts of interest) drawn from the business community, government, and academia carefully examine and rate each proposal according to published selection criteria that focus on both business and technical potential.

ATP projects are expected to make significant contributions to scientific and technical knowledge, produce new technologies that will be developed and introduced into the marketplace by the project awardees (using their own funds), and, in the long run, yield substantial benefits to the economy beyond those accruing directly to the award recipients. This is a lengthy process. ATP projects typically run from 2 to 5 years, the commercialization phase could add several more years, and the full economic impact may not be realized for some years after commercial introduction. It also is costly, because companies must spend additional time, effort, and money on their own to pursue product development and marketing. Regardless of whether initial commercialization takes place before an ATP project ends, or long after, the company must invest its own money to design specific products incorporating the technology and to pay any other costs associated with commercialization.

To whom and how assistance is provided

The ATP has strict cost-sharing rules. Joint ventures must pay at least half of the project costs. Single companies working on ATP projects must pay all indirect costs associated with the project, or, if they are large companies, they must cost-share at least 60 per cent of total project costs. (This provision encourages small companies to participate in the program, particularly start-ups, which often have much lower overhead rates than large firms). ATP support does not become a perpetual subsidy or entitlement - each project has goals, specific funding allocations, and completion dates established at the outset. Projects are monitored and can be terminated for cause before completion.

The ATP benefits companies of all sizes. To date, over 60 per cent of 665 ATP awards have gone to individual small businesses or to joint ventures led by a small business, a large majority of which have fewer than 49 employees. Large firms can work with the ATP, especially in joint ventures, to develop critical, high-risk technologies that would be difficult for any one company to justify, because, for example, the benefits are spread across the industry as a whole. Universities and non-profit independent research organizations also play significant roles as participants in ATP projects. Approximately 166 different universities across 44 states are involved in ATP-funded projects.

Amount

2002 - \$184.5 million

Duration

On-going.

Trade Effects

The trade effects, if any, cannot be determined.

Title: Empowerment Zones, Enterprise Communities and Renewal Communities

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

The purpose of this assistance is to encourage revitalization of distressed areas. Nominated areas must meet population, distress, size, and poverty rate criteria in order to be eligible, ensuring that assistance is targeted to areas experiencing high economic distress. The use of tax incentives reflects a desire to encourage the private sector, guided by market forces and supported in a non-bureaucratic fashion through government assistance, to be a driving force behind the increased economic activity. Some restrictions on the types of business activities and investments were imposed in order to limit potential abuses.

Background and authority

The Omnibus Budget Reconciliation Act of 1993 provided for the designation of nine empowerment zones (3 rural and 6 urban) and 95 enterprise communities (30 rural and 65 urban). The Taxpayer Relief Act of 1997 added 22 empowerment zones (5 rural and 17 urban), and the District of Columbia Enterprise Zone (DC Zone). The Community Renewal Tax Relief Act of 2000 added 9 empowerment zones (2 rural and 7 urban) and authorized the designation of 40 renewal communities (12 rural and 28 urban). State and local governments jointly nominated distressed areas and proposed strategic plans aimed at economic and social revitalization. Rural enterprise communities and empowerment zones were designated by the Secretary of the Department of Agriculture, while urban enterprise communities, urban empowerment zones and all renewal communities were designated by the Secretary of the Department of Housing and Urban Development. The tax provisions for enterprise communities, empowerment zones, renewal communities, and the DC Zone are found in sections 1391 through 1400J of the Internal Revenue Code.

Qualified businesses located in empowerment zones are eligible for the following federal tax incentives: (i) an employment tax credit for 20 per cent of the first \$15,000 of qualifying wages paid to employees who live and work in the empowerment zone; (ii) an additional \$35,000 per year of expensing, instead of depreciation, of capital investments by small businesses; and (iii) a new category of tax-exempt private activity bonds. In addition, taxpayers may elect to defer capital gains from certain sales and re-investments in qualified empowerment zone assets and the exclusion on the gain from the sale of qualified small business stock that is held for more than five years is increased from 50 to 60 per cent for empowerment zone businesses. Businesses located in enterprise communities are only eligible for the new category of tax-exempt bonds.

Qualified businesses located in renewal communities are eligible for the following federal tax incentives: (i) an employment tax credit for 15 per cent of the first \$10,000 of qualifying wages paid to employees who live and work in the renewal community; (ii) an additional \$35,000 per year of expensing, instead of depreciation, of capital investments by small businesses; (iii) a commercial revitalization deduction; and (iv) an exclusion for capital gains on qualified community assets held more than 5 years.

Incentives for the DC Zone include the employment tax credit, increased expensing and tax exempt financing incentives available in empowerment zones, plus an exclusion for capital gains on qualified assets held more than 5 years.

Form

Income tax concession.

To whom and how assistance is provided

The employment tax credit and an additional \$35,000 per year of expensing are provided when the recipient business completes its tax return. No registration is needed to qualify for the tax incentives. The new category of tax-exempt private activity bonds requires a local initiation and State offering of the bonds. The subsidy is reflected in the lower interest rate charged on the bonds because interest income on them is excluded from federal taxable income. The capital gains incentives are provided to investors in qualified zone or community assets by reducing the amount of capital income subject to tax.

To qualify for the employment credit, substantially all of the employees's services must be provided in the zone or community. The \$35,000 of additional expensing is targeted to assist small businesses because the benefit of expensing begins to phase out when investment exceeds \$200,000. To qualify for the expensing, businesses must also meet other criteria, such as having at least 35 per cent of employees who reside in the zone or community. Businesses located in enterprise communities and empowerment zones are eligible for the new category of tax-exempt bonds. Up to \$3 million per business per zone in bond funding and \$20 million per business for all zones is available. The exclusion of capital gains from qualified DC Zone assets held more than 5 years does not apply to gains earned before 1998 or after 2008. The exclusion of capital gains from qualified renewal community assets held more than 5 years does not apply to gains earned before 2002 or after 2014.

Amount

The revenue loss was \$730 million in 2002.

Duration

Tax incentives have been available since the first zones and communities were designated on 21 December 1994. Empowerment zone and renewal community tax benefits are due to expire on 31 December 2009, with the exception of the DC Zone tax benefits, which expire on 31 December 2003. Enterprise community tax benefits are scheduled to expire on 31 December 2004.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: The Export Credit Programmes of the Export-Import Bank of the United States

Period covered by the notification

The period covered is fiscal year 2002.

Policy objective and/or purpose; background and authority

The Export-Import Bank of the United States (Ex-Im Bank) is authorized by the Export-Import Bank Act of 1945 to provide credits, guarantees and insurance, including commercial and political risks, to support exports of US goods and services. The financial support is to be at rates and on terms that are competitive with government-supported rates and terms available from other countries whose exporters compete with US exports. All Ex-Im Bank programs are in full conformity with the OECD guidelines on export credit practices and, concomitantly, the Agreement on Subsidies and Countervailing Measures. Inasmuch as other official authorities offer official financing in support of exports from their countries, Ex-Im Bank has offered similar financing.

Form; amount

The US Federal Credit Reform Act of 1990 (Credit Reform) made fundamental changes in the budgetary treatment of direct loans, loan guarantees and insurance. Credit Reform, which became effective in fiscal year 1992, shifted the accounting basis for federally provided or guaranteed credit from the amount of cash flowing into or out of the Treasury for a credit programme, to the estimated net financial costs of the loans, guarantees and insurance. Credit Reform requires an annual appropriation that is used to set aside a loan-loss reserve to cover any expected financial losses in recognition of the cost to the US government of running an official export credit programme.

Under the accounting procedures required by Credit Reform, the cost of Ex-Im Bank programmes is calculated as the difference between the amount committed and the present value of the expected cash inflows, each discounted by the interest rate on marketable Treasury securities of like maturity. This includes the cash flows specified in the contract financed by Ex-Im Bank, as well as "expected" deviations from contract terms, including delinquencies, defaults, prepayments, and other factors. This calculation is performed on a transaction-specific basis, and for those transactions showing a positive cash flow on a net present value basis, the transaction cash flow is zero-ed out for Credit Reform purposes.

For direct loans, cash outflows include loan disbursements, and cash inflows include exposure fees and repayment of principal and interest net of expected defaults. For loan guarantees and insurance, cash outflows include payments to cover default claims and interest supplements, and cash

inflows include fees and recoveries. The expected costs are calculated using a model developed by the Office of Management and Budget.

The following tables show the US government budget authority value for Ex-Im Bank direct loan, loan guarantee and insurance programmes. Due to the unique nature of US credit reform calculations, the numbers presented in the tables are not comparable with short-term cash-flow data presented by other government export credit agencies.

TABLE I

**Direct Loan Budget Authority
(\$ millions)**

Fiscal Year	Direct Loan Levels	Budget Authority	%
1999	902.7	53.0	5.9%
2000	932.6	11.7	1.3%
2001	871.2	93.8	10.8%
2002	309.0	36.7	11.9%

TABLE II

**Loan Guarantee and Insurance Budget Authority
(\$ millions)**

Fiscal Year	G'tee & Insurance Levels	Budget Authority	%
1999	12,164.9	602.8	5.0%
2000	11,704.5	890.4	7.6%
2001	8,370.3	729.7	8.7%
2002	9,724.9	676.9	7.0%

Duration

Ex-Im Bank activities are subject to periodic renewal under US law. Congress reauthorized Ex-Im Bank until the end of September 2006.

Trade Effects

It is not possible to estimate what, if any, trade effects may result from the use of this programme.

Title: New Markets Tax Credit

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To encourage capital investment in businesses located in economically distressed areas.

Background and authority

The Community Renewal Tax Relief Act of 2000 created the new markets tax credit under section 45D of the Internal Revenue Code.

Form

Income tax concession.

To whom and how assistance is provided

A tax credit is applied to taxpayers who make an equity investment in a Community Development Entity (CDE). The credit amount is equal to 5 percent of the investment for each of the first three years and 6 per cent for each of the following 4 years. A CDE is any domestic firm whose primary mission is to serve or provide investment capital for low-income communities or individuals. A fixed amount of equity investment is eligible each year for the credits, which is apportioned to CDEs through a competitive application process. The total amount of equity investment eligible for the credit is \$15 billion from 2001 to 2007.

Amount

The revenue loss was \$90 million in 2002.

Duration

This credit first became effective in 2001, and credit allocations to qualified CDEs will be made through 2007.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

Title: New York Liberty Zone

Period covered by the notification

The period covered is the fiscal year 2002.

Policy objective and/or purpose

To encourage the redevelopment of the area surrounding the World Trade Center in New York City in the aftermath of the terrorist attack on 11 September 2001.

Background and authority

Section 1400L of the Internal Revenue Code, enacted as part of the Job Creation and Worker Assistance Act of 2002.

Form

Income tax concession.

To whom and how assistance is provided

The New York Liberty Zone is the area immediately surrounding the World Trade Center in New York City. The following tax incentives are provided: (i) qualified small businesses are allowed a wage credit equal to 40 percent of the first \$6,000 of qualifying wages paid annually to each qualifying employee; (ii) an additional \$35,000 per year of expensing, instead of depreciation, of capital investments by small businesses within the Zone; (iii) 30 per cent expensing, instead of depreciation, of certain property placed in service within the Zone; (iv) accelerated depreciation of qualified leasehold improvement property placed in service within the Zone; (v) authorization for New York State and New York City to issue an additional \$8 billion in tax-exempt private activity bonds to finance property placed in service within the Zone; (vi) an additional advance refunding of tax-exempt bonds up to an aggregate limit of \$9 billion for facilities located in New York City; and (vii) extension of the replacement period from 2 to 5 years for certain property involuntarily converted due to the 11 September 2001 terrorist attack.

Amount

The revenue loss was \$484 million in 2002.

Duration

The wage credit expires at the end of 2003, the two tax-exempt financing benefits expire at the end of 2004 and the other provisions expire at the end of 2006.

Trade effects

It is not possible to estimate what, if any, trade effects may result from the use of this provision.

State	Program Title	Program Authority	Form of Subsidy	Policy Objective	To Whom	Amounts	Duration of the Program
Alabama	Appalachian Regional Commission Grant	Alabama Department of Economic and Community Affairs	Grant	The Appalachian Regional Commission (ARC) provides supplemental funding for economic development projects under its Area Economic and Human Resources Development Program.	Appalachian Regional Commission (ARC) region consisting of 37 counties in North Alabama in a line just north of Montgomery. New or expanding businesses including manufacturing and warehousing.	\$200,000 maximum or 50 percent of total project cost spent on serving more than one industry. Can bring federal participation up to 80 percent of eligible project cost.	Ongoing
Alabama	Capital Investment Tax Credit	Alabama Department of Revenue	Tax Credit	The program allows qualifying companies to claim a tax credit against Alabama income tax liability generated by or arising out of a qualifying Alabama project.	Favored Geographic Area: defined as one of the 28 Alabama Enterprise Zones or either one of the less developed counties as determined by the Department of Industrial Relations based on statutory criteria. Small Business Addition: addition to existing facility, company must have 100 or fewer employees in Alabama prior to the date addition is placed in service.	A capital credit is available to the income tax liability generated by income from a project approved by the Alabama Department of Revenue (ADOR). The capital credit is available each year, for 20 years. The capital credit is calculated at five percent of the total capital costs of the qualifying project and the credit begins in the year the qualifying project is 'placed in service'.	Ongoing
Alabama	Community Facility Loan and Grant Program	USDA Rural Development	Mixed Financing	To promote development in rural communities.	Rural communities with a population of 20,000 or less. Priority is given to applicants in rural communities with populations of 5,000 or less and areas with the lowest median household income.	Interest rates for direct loans are based on current market yields for municipal obligations. The maximum term for all loans is 40 years. However, the repayment period is limited to the useful life of the facility or equipment or any statutory limitation on the applicant's borrowing ability.	Ongoing
Alabama	Enterprise Zone Tax Credit	Alabama Department of Revenue	Tax Credit	Enterprise Zone Act is a job creation program. It is a performance driven program and provides credits for specific accomplishments of the company.	28 Designated enterprise zones. Economic development within depressed communities. Enterprise zone residents especially those unemployed for at least 90 days prior to employment.	Maximum credit of \$2500 per new permanent employee. Credits are to be used in the year earned with any remainder available to be applied against income or business privilege tax liabilities for he succeeding two years. There are three ways to make up the \$2500 maximum credit for new permanent employee. 1) credit based on income tax liability from EX project operations: 5 year tax credit incentive, taken in increments:	Ongoing

						<p>year 1=80 percent, year 2=60 percent, year 3=40 percent, year 4&5=20 percent. Must be certified annually by the Alabama Department of Economic and Community Affairs that requirements have been met. 2) Credit from new capital investment: 10 percent of the first \$10,000; 5 percent of the next \$90,000; 2 percent of the remaining investment. Minimum job creation of 5 new permanent employees. 3) Training: Company may claim a credit of up to \$1000 for training new permanent employees in new skill areas.</p>	
Alabama	Intermediary Relending Program	USDA Rural Development	Loan	A loan program funded by the Rural Economic and Community Development (REDC) to strengthen the economy of rural communities.	Priority scoring is given to applications located in areas of high unemployment, areas experiencing trauma, and areas where the population has declined. All territory of a state that is not within the outer boundary of any city having a population of 25,000 or more, according to the latest decennial census.	Loans to intermediaries are scheduled for repayment over a period of up to 30 years with an interest rate of one percent per annum. The intermediary sets the term of the loans and sets the interest rate that they will charge to ultimate recipients. The maximum loan to an intermediary is \$750,000.00.	Ongoing
Alabama	Property Tax Exemptions for Industrial Projects	Alabama Department of Revenue	Tax Abatement /Reduction	Both non-exempt real property and personal property are subject to ad valorem property taxation. To encourage the development of new industry in the state, as well as to encourage the expansion of existing industry, an abatement from property taxation is provided in some cases. Certain industries may be exempted from the state, county, and city tax levies, except for taxes levied for education.	Statutory Requirements: 1) The qualifying project must constitute an "industrial, warehousing, or research activity" defined as any trade or business described in the 1987 Standard industrial Classification (SIC) code, promulgated by the U.S. Government Office of Management and Budget as: Major Groups 20-39, inclusive; 50 or 51; Industrial Group Number 737; or Industry Numbers 0724, 4613, 8731, 8733, or 8734. 2) Expansion projects may qualify for an abatement under a "major addition", provided the project meets an additional investment threshold requirement of	Industrial projects may be exempted from ad valorem (property) taxes for up to 10 years (except school taxes) with a fixed assessment ratio established at 20 percent of appraised market value for businesses.	Ongoing

					the lesser of 30 percent of the original cost of the industrial development property, or \$2 Million.		
Alabama	Regional Revolving Loan Funds	Alabama Association of Regional Councils	Loan	Revolving loan funds are locally controlled. Capital may be used to finance start-up and existing businesses whose projects will create permanent jobs.	Financing for small manufactures, manufacturing-related services located in the Southeast.	Equity requirement, which is established locally, usually falls between 5 percent and 25 percent. The interest rate is normally below prime and can be fixed or variable. Program requires conventional lender participation.	Ongoing
Alabama	Renewal Community (RC) Program	Alabama Development Office	Mixed Tax	The RC Program is a federal tax incentive program created to assist in the economic development and expansion of 40 communities throughout the United States. In January 2002, three areas received federal designation as RCs in the State of Alabama. Those designated include areas of nine counties in Southern Alabama, Greene and Sumter counties, and East Mobile and Prichard.	Must be located in RC as designated by the program. Generally, an RC business is defined as a corporation, partnership, or sole proprietorship that for each taxable year actively conducts every trade or business of the entity in a RC; at least 50 percent of the total gross income of the entity is derived from the active conduct of business within a RC; a substantial portion of the use of the tangible property of the entity is within a RC; a substantial portion of the intangible property of the business is used in the active conduct of the business; a substantial portion of the services performed for the employer by its employees occur within a RC; at least 35 percent of the employees	Available incentives include wage credits for employing RC residents; increased Section 179 deduction; commercial revitalization deduction; and zero capital gains rate for RC assets.	Ongoing

					reside in a RC; no more than 5 percent of the property is nonqualified financial property except for reasonable amounts of working capital held in cash, cash equivalents, or debt instruments; and no more than 5 percent of the property is works of art or other collectibles unless held for sale to customers.		
Alabama	Rural Business Enterprise Grants	USDA Rural Development	Grant	A grant program funded by Rural Economic and Community Development (REDC) to strengthen the economy.	Any area other than an incorporated city or town with greater than 50,000 population and the urbanized area contiguous and adjacent to such city or town.	Must assist small and emerging private business (50 or less employees and less than \$1,000,000 in projected gross income).	Ongoing
Alabama	Rural Business Opportunity Grant	USDA Rural Development	Grant	To promote development in rural communities.	Any area other than an incorporated city or town with greater than 10,000 population and the urbanized area contiguous and adjacent to such city or town. Priority communities--those experiencing trauma due to natural disasters or that are undertaking fundamental structural changes, have remained persistently poor or have experienced long-term population decline or job deterioration.	\$50,000 limit on unearmarked funds per applicant per state.	Ongoing
Alabama	Venture Capital Funds	Alabama Development Office	Tax Credit	House Bill 627 authorizes the establishment of CAPCOs certified capital companies to manage such funds.	Small technology businesses	Credits are limited to \$12.5 million in any year.	Ongoing

Alabama	Tennessee Valley Authority Economic Development Loan Fund	Tennessee Valley Authority	Loan	A multimillion dollar revolving loan program established to stimulate industrial development and leverage capital investment in the TVA power service area. An indirect financing loan program promotes economic expansion, encourages job creation and fosters the increased sale of electricity by TVA and its power distributors.	All companies within the TVA power service area.	Loans are typically below market rate, with specific rates to be determined on a case-by-case basis after considering the loan evaluation criteria (project's financial viability, management quality, community economic impact, funds leverage and increased power sales). Maximum length of terms is 10 years for new plants, plant expansion and plant retention. 7 years for service industry loans and 6 years for infrastructure loans. Repayment schedules will be determined on a project by project basis. No TVA loan is likely to exceed \$2 million. Real estate and equipment can be used for collateral.	Ongoing
Alabama	Water and Waste Disposal Funds	USDA Rural Development	Loan	Indirect financing for public bodies and nonprofit corporations in unincorporated rural communities with a population of no more than 10,000. Rates for loans may be made at poverty, intermediate or market interest rates and are subject to change quarterly. Term of the loan may be for up to 40 years. Loans and grants are limited to applicants serving rural areas and towns with populations not in excess of 10,000. Applicants must not be able to obtain the financing from other sources and/or their own resources at rates and terms they can afford. Funds may be used to construct and develop water and waste disposal systems-including solid waste disposal and storm drainage.	Loans and grants are limited to applicants serving rural areas and towns with populations not in excess of 10,000.	Term of the loan may be for up to 40 years.	Ongoing

Alabama	Business and Industry Guaranteed Loans	USDA	Loan	Objective is to bolster existing private credit structure through the guarantee of quality loans that will provide lasting community benefits by increasing employment and improving the economic and environmental climate of rural communities.	Priority given to 25,000 population or less.	Loan program funded by Rural Economic and Community Development (REDC) to strengthen the economy of rural communities. Indirect financing/loan to commercial or other authorized lenders in any area other than an incorporated city or town with greater than 50,000 population and urbanized area contiguous and adjacent to such city or town.	Ongoing
Alaska	Commercial Fishing Revolving Loan Fund	Department of Commerce and Economic Development	Loan	The Commercial Fishing Revolving Loan Fund provides long-term, low interest loans to commercial fishing businesses.	Statewide	The interest rate is 2 percent above the prime rate, not to exceed 10.5 percent. Interest rate will be fixed at time of loan approval. Maximum loan term is 15 years.	Ongoing
Alaska	Rural Development Assistance Grants	Department of Community and Regional Affairs	Grant	Competitive grants to communities.	Communities with fewer than 900 people or a lack of centralized water and sewer systems serving the majority of residents, a lack of organized police or fire protection, or a lack of medical and dental service other than those provided by the Indian Health Service.	Each grant can provide a maximum of \$50,000 per community.	Ongoing
Alaska	Rural Development Assistance Mini-grant Program	Department of Community and Regional Affairs	Grant	Grants for economic development projects for planning or implementation of business start-up or expansion, manufacturing, tourism development or other economic enterprises that increase jobs, income or services in rural Alaska communities.	Communities with fewer than 10,000 people. Grants are provided to native village councils, and regional or local nonprofit corporations which serve eligible communities. With Department's approval, a community may submit an application with a public or private for-profit entity if the community will receive a specified benefit.	Maximum \$30,000 per community per fiscal year. Funding level during FY 98 was approximately \$200,000.	Ongoing

Arizona	Defense Restructuring Program	Department of Commerce	Tax Credit/Tax Incentive	To assist defense contractors in the state in maintaining and attracting contracts with the Department of Defense (DOD); and to encourage defense contractors to diversify into commercial markets, adopt new manufacturing processes and technologies, and consolidate facilities into this state.	Defense contractors (manufacturer, assembler or fabricator). No new certifications to the Department of Revenue after June 30, 2001.	A credit allowed against corporate income taxes for up to 40 percent of the real and personal property taxes paid based on jobs retained and created; corporate and individual income tax credits for increases in net employment above an established baseline. The credit is a dollar amount allowed for each new employee equaling \$7,500 over five years; and depreciation or amortization costs of capital investments may be subtracted from Arizona gross income equal to one-half of the time period allowed under the U.S. Internal Revenue Code.	Ongoing
Arizona	Enterprise Zone Program	Arizona Department of Commerce	Tax Credit	To improve the economies of areas in the state with high poverty or unemployment rates by enhancing opportunities for private investment in certain areas called "enterprise zones".	Benefits apply to businesses located in disadvantaged areas designated as state enterprise zone, creating new full-time jobs that pay at least a designated "county wage" and provide health insurance coverage for which the company pays at least 50 percent. Thirty-five percent of the jobs for which the tax credits are claimed must be filled by zone residents.	Provides an income tax credit for net increases in qualified employment positions. These credits may be up to \$3,000 per qualified employment position over three years. In addition, qualified manufacturing businesses locating or expanding within these zones can apply for a class six property tax classification (5 percent of full-cash value) for a period of 5 years. (Primary portion of property tax is reclassified).	Ongoing
Arizona	Military Reuse Zone Program	Arizona Department of Commerce		Eases the restrictions on the designation and renewal of a closed military facility as a military reuse zone by allowing the Governor to designate the zone upon either the execution of a long-term lease or title transfer.	Manufacturers, assemblers, or fabricators of aviation or aerospace products, as well as providers of aviation or aerospace services, located within a Military Reuse Zone.	Companies will have their real and personal property classified as class six property with an associated assessment ratio of 5 percent, normally at 25 percent, for a period of five years. In addition, tax credits are based upon net new employees. The credit is a dollar amount allowed for each new employee up to \$7,500 (up to five years). There is also an exemption of the (5.6 percent state portion) Transaction Privilege Tax available for a prime contractor having a contract with a qualified MRUZ business for work in the zone.	Ongoing

Arizona	Motion Picture Production State Transaction Privilege Tax Refund	Arizona Department of Commerce	Tax Refund	Film incentives	Only purchased tangible goods and leased property can be claimed for refund. To be eligible feature films, telefeatures, music videos, documentaries, episodic television series and other television production must meet the \$1 million expenditure threshold of qualified spending over any consecutive 12-month period for one or more productions or portions thereof shot in Arizona. Commercial advertising production must meet the \$250,000 expenditure threshold in qualified spending with the same time parameters as features.	A 50 percent transaction privilege (sales) tax refund to qualifying production companies for projects filmed in Arizona. Specific Department of Revenue (DOR) rules must be followed to both apply and qualify for this rebate against the 5.6 percent state sales tax.	Ongoing
Arkansas	Arkansas Economic Development Act	Arkansas Department of Economic Development	Tax Credit	The Arkansas Economic Development Act is a discretionary incentive that is only used for large projects for which Arkansas has significant competition. The Act requires at least a \$5,000,000 investment and the creation of at least 100 jobs. Employee wages must be above the state or county average wages for the company to be eligible. Currently, the Act allows the Department of Economic Development to negotiate a tax credit based on the total investment a company makes in building or expanding a project in Arkansas. The amount of the tax credit is dependent on the wages paid by the company which must be at least equal to the county or state average wage. The credit can be used to offset from 50 percent to 100 percent of the employer's state income tax liability.	(A) Manufacturers classified in federal Standard Industrial Classification codes 20-39, including semiconductor and microelectronic manufacturers; (B) Computer businesses primarily engaged in providing computer programming services, the design and development of prepackaged software, businesses engaged in digital content production and preservation, computer processing and data preparation services, information retrieval services, and computer and data processing consultants and developers. (C) Businesses primarily engaged in motion picture production; (D) Businesses primarily engaged in commercial physical and biological research as classified by Standard Industrial Classification code 8731; (E) A distribution center with no retail sales to the general public, unless seventy-five percent of the sales revenue is from out-of-state customers; (F) An office sector	Company must invest at least \$5 million and create at least 100 jobs in order to qualify. The tax credit ranges from 50 percent of total investment to 100 percent of total investment, depending upon the wages paid.	Ongoing

					business with no retail sales to the general public; and (G) A corporate or regional headquarters with no retail sales to the general p		
Arkansas	Arkansas Emerging Technology Development Act	Arkansas Department of Economic Development	Tax Credit	This Act provides an economic incentive to manufacturers of high-growth technologies that are on the verge of full entry into the world market. It offers a state income tax credit equal to 50 percent of the cost of purchasing or constructing a facility that designs, develops or produces photovoltaics (solar cells), fuel cells, electric vehicle components for electric vehicles licensed for use on Interstate highways, Stirling engines, microturbines or nanotechnology. The tax credit provided by this Act may be carried forward for 14 years beyond the year in which it was earned.	Statewide. Manufacturers of fuel cells, photovoltaic cells, electric vehicle components for electric vehicles licensed for use on Interstate highways, Stirling engines, microturbines and nanotechnology.	Company that earns income tax credits under this incentive may carry forward unused credits for up to 14 years beyond the year in which they were initially earned.	Ongoing

Arkansas	Biotechnology Development and Training Tax Credits	Arkansas Department of Economic Development	Tax Credit	The Arkansas Biotechnology Development and Training Act of 1997 offers three different income tax credits to Arkansas taxpayers furthering biotechnical business development. (1) a five percent income tax credit applied to costs to build and equip eligible biotechnical facilities. (2) A 30 percent income tax credit both for eligible employee training costs and for contracts with state-supported institutions of higher education to conduct qualified cooperative research projects. (3) An income tax credit for qualified research involving the purchase, license, develop or protect intellectual property. This credit is equal to 20 percent of the amount by which the cost of qualified research exceeds the cost of such research in the base year. (4) A 30 percent income tax credit for investments in advanced biofuels facilities.	Biotechnology companies	Income tax credits shall be used to offset the first \$50,000 of income tax liability arising during the credit year and fifty percent of any remaining income tax liability for the year. Any unused credit may be carried forward for a maximum of fourteen taxable years after the credit year in which the credit originated.	Ongoing
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Arkansas	Enterprise Zones (Advantage Arkansas)	Department of Economic Development	Tax Credits	The entire state of Arkansas is designated as an Enterprise Zone under the Advantage Arkansas Program. The program provides income tax credits and sales and use tax refunds to qualifying businesses that create new jobs as a result of location, expansion, or facility modernization projects anywhere in Arkansas.	Manufacturers in SIC codes 20-39 and businesses primarily engaged in commercial physical or biological research as classified by SIC code 8731 that create one or more net new full-time permanent jobs; or eligible computer firms with no retail public sales that derive at least 75 percent of their revenue from out-of-state sales and create five or more net new full-time permanent jobs; or businesses primarily engaged in motion picture production with no retail public sales that derive at least 60 percent of their revenue from out-of-state sales and create 25 or more net new full-time permanent jobs; or distribution centers, including e-commerce distributors, that derive at least 75 percent of their resources from out-of-state sales; office sector businesses; corporate or regional headquarters; or trucking/distribution terminals with no retail public sales that create 25 or more net new full time permanent jobs.	Advantage Arkansas provides a credit on state income tax equal to the average hourly wage of each new worker times 100, with a \$3,000 cap per employee. The multiplier increases from 100 to 400, with a \$6,000 cap per employee, when a business locates in a "high-unemployment" county. The multiplier also increases from 100 to 400 when a county has experienced a sudden loss of jobs due to closing of one or more businesses and is approved by the Arkansas Economic Development Commission as a "high unemployment" county. Employees must be Arkansas taxpayers to qualify for the credit. The income tax credit begins in the year in which the new employees are hired. Any unused portion of the credit may be applied against income tax for the succeeding nine years. Advantage Arkansas participants are also eligible for a refund of sales and use taxes for building materials and taxable equipment connected with the eligible project.	Ongoing
Arkansas	Motion Picture Incentive Act	Arkansas Department of Economic Development	Tax Refund	This Act provides motion picture companies that spend at least \$500,000 in the state within six months, or \$1 million within 12 months, a refund of all sales and use taxes paid during the production of the film, telefilm, music video, documentary, episodic television show or commercial advertising project.	Motion picture industry	No limits. Spending beyond the required threshold allows for a refund of all sales and use taxes paid in connection with the filming or production.	Ongoing

Arkansas	Tax Increment Financing		Bond Program	In November 2000, voters approved an amendment to the Arkansas Constitution that enables local governments to issue bonds to finance improvements in a redevelopment district. The bonds will be secured and paid back from the increased tax revenue generated as a result of the improvements.	A redevelopment district must be in an area that is considered blighted, deteriorated or underdeveloped.		Ongoing
California	Enterprise Zones	Technology, Trade and Commerce Agency	Tax Credit	California's Enterprise Zone program is an innovative partnership comprised of state government, local government and private businesses. The Enterprise Zone program spurs business development in 39 designated areas through special zone incentives. Companies already located or that locate in Enterprise Zones can take advantage of state and local incentives and programs not available to businesses outside the Enterprise Zone. California tax law allows businesses that experience a loss for the year to carry this loss forward to the next year in order to offset income in the following years. Businesses within LAMBRA (Local Agency Military Base Recovery Area) and EZs can carry over for 15 years. California tax law allows businesses that experience a loss for the year to carry this loss forward to the next year in order to offset income in the following years. Businesses within LAMBRA and EZs can carry over for 15 years	There are 39 designated areas. Designations are made based on proposals from cities and counties containing areas meeting these criteria. These areas are then evaluated competitively on the basis of local economic development incentives designed to complement state incentives.	Tax credits and benefits available to companies locating in Enterprise Zones include: (1) tax credits for sales or use taxes paid on up to \$20 million of qualified machinery purchased per year; (2) a hiring credit for wages paid to qualified employees during the employees' first 60 months on the job; (3) a 15 year carryover of up to 100 percent of net operating losses; (4) expensing up to \$40,000 of certain depreciable property; (5) lender interest income deductions for loans made to zone businesses; and (6) preference points on state contracts. In addition, local incentives may be available that include reduction or elimination of local permit and construction-related fees, expeditious processing of plans and permits, reduced utility rates, reduced land costs, assistance in employee hiring, low-cost financing and low-interest revolving loans. For LAMBRA, new businesses can carryover 100 percent of their losses over eight years if the loss is in their first year of operation, 100 percent over seven years if	Ongoing

California	Local Agency Military Base Recovery Area	California Trade and Commerce Agency	Tax Credit	<p>Local Agency Military Base Recovery Area (LAMBRA) legislation (AB 693) was drafted to stimulate job creation in areas experiencing military base downsizing and closure. It was signed into law in 1993 in response to severe job loss among California military and civilian personnel as a result of base closures. Per legislation, the state has been geographically divided into five regions. Communities competed for the LAMBRA Zone designation which is limited to one per region. A LAMBRA may consist of only the former base or a specified portion of it. A LAMBRA designation is binding for eight years.</p> <p>LAMBRA designations are similar to Enterprise Zones.</p>	In 1995 the first three military site designations under the state's LAMBRA program included Mare Island Naval Shipyard in Vallejo, Castle Air Force Base in Merced and George Air Force Base in Victorville. In 1997, Alameda Naval Air Station in Alameda and the Tustin Marine Corps Air Station received their designations	The designations allow communities to extend California Enterprise Zone tax credits to companies locating in a LAMBRA Zone. As with Enterprise Zone communities, LAMBRA communities also have community incentives as a part of the business attraction package.	Ongoing
California	Old Growth Diversification Revolving Loan Fund	California Trade and Commerce Agency	Loan	<p>With funding from the U.S. Forest Service, the Old Growth Diversification program provides low cost capital to businesses to create and retain jobs in areas of Northern California affected by timber harvest reductions and sawmill and related plant closures. Emphasis will be placed on value-added wood products and other resource-related manufacturing, and on business ventures which diversify the local economy. Where possible, preference will be given to those projects which employ displaced timber workers. Expanding businesses as well as start-up ventures will be considered.</p>	Statewide	Businesses may borrow from \$25,000 to \$100,000. Loan terms may go up to 10 years for real estate or equipment, and up to five years for working capital. Lines of credit with a one-year maturity are also available. The interest rate may be fixed or variable, depending on the borrower's individual circumstances and will be set at the time of loan approval.	Discontinued as of June 30, 2003

California	Recycling Market Development Zone Program	California Integrated Waste Management Board (part of CalEPA)	Mixed Financing	The Recycling Market Development Zone Program was developed by the California Environmental Protection Agency, Integrated Waste Management Board. Businesses locating within the 40 designated zones can take advantage of low-interest loan packaging, local permit streamlining, technical assistance and information sharing. In addition, RMDZ loans are available for recycling projects.	Any business or local government agency located in a Recycling Zone utilizing post-consumer or secondary waste material in its production process may apply for a recycling loan. Private businesses and not-for-profit organizations may borrow funds for real property, equipment, working capital, or refinancing of onerous debts.	Each eligible business or local government agency may borrow up to 50 percent of the cost of any project, with a maximum of \$1 million.	Ongoing
Colorado	Enterprise Zone	Office of Econ. Dev & Int'l Trade	Tax Credit	Tax credits granted for investment and employment which takes place within 16 designated enterprise zones. Companies must invest in equipment used exclusively in the zone; they must hire new full-time employees; conduct R&D activities in the zone; invest in the rehabilitation of a building that is over 20 years old and vacant; or make a contribution to approved zone development projects or child care in zones.	There are currently 16 zones in the state, 8 of which are in rural areas. Legislation provides for a maximum of 16 zones. Any business locating or expanding anywhere within a designated enterprise zone is potentially eligible.	An investment credit of 3 percent is for investments in equipment used exclusively in the enterprise zone. There is a 25 percent income tax credit (not to exceed \$50,000) to rehabilitate vacant buildings. There is a 10 percent credit for employer job training expenses. There is a \$500 tax Credit for each new full-time employee, and an additional \$500 credit for each full-time agricultural processing or manufacturing employee. A 3 percent tax credit is granted for increases in R&D expenditures. There is also a tax credit of 25 percent (not to exceed \$100,000) for private contributions to local zone administrators for enterprise zone development projects and for promoting child care within zones. Localities also have the option of refunding local property tax and/or sales and use tax on equipment and supplies.	Ongoing

Colorado	Biotech Sales Tax Refund	Department of Revenue		To promote business within the state.	"Qualified taxpayer" means a C corporation, as defined in section 39-22-103 (2.5), a partnership, as defined in section 39-22-103 (5.6), a limited liability company that is not a C corporation, an S corporation, as defined in section 39-22-103 (10.5), or a sole proprietorship that purchases, stores, uses, or consumes tangible personal property to be used in Colorado directly and predominately in research and development of biotechnology.	For the calendar year commencing January 1, 1999, and for each calendar year thereafter, each qualified taxpayer shall be allowed to claim a refund of all state sales and use tax paid by the qualified taxpayer, on the sale, storage, use, or consumption of tangible personal property to be used in Colorado directly and predominately in research and development of biotechnology during that calendar year. To claim the refund a qualified taxpayer must submit a refund application to the Department of Revenue on a form provided by the Department. The application must be submitted by January 1 and no later than April 1 of the calendar year following the calendar year for which the refund is claimed. The application must be accompanied by proof of payment of state sales and use taxes paid by the qualified taxpayer in the immediately preceding calendar year.	Ongoing
Connecticut	Apprenticeship Training Tax Credit	Connecticut Department of Labor	Tax Credit	This is a tax credit granted under Gen. Stat. 12-217g and amended by P.A. 97-295.	The manufacturing trades of machine tools, plastics, or metals.	A firm may apply for a credit of up to \$4800 per apprenticeship. The amount of the credit is limited to the lesser of 50 percent of the actual wages paid or the total number of working hours during the year multiplied by \$4.00, or \$4,800.	Ongoing
Connecticut	Connecticut Capital Access Fund: Urban	Connecticut Development Authority	Loan	Access to bank lending through use of portfolio loan insurance. Loss reserves up to 29.5 percent used to induce bank lending in targeted areas. Up to 9.5 percent cash reserve deposited for other small business loans. Direct loans up to \$250,000 for buildings, equipment and working capital for	Businesses located in New London or Windham counties or one of 25 designated municipalities are eligible for targeted business loans. Special emphasis on minority and women-owned businesses. Small business Assistance loans available for businesses with 100 or fewer full-time employees.	No prior CDA approval is required for new bank loans up to \$250,000. Maximum loan \$500,000. Maximum 15 year term.	Ongoing

				specialized projects.			
Connecticut	Connecticut Growth Fund	Connecticut Development Authority	Loan	<p>Direct state loans and equity investments administered by the Connecticut Development Authority to small businesses for fixed asset financing, working capital, and start-up capital for those businesses vital to the economic base of the state.</p> <p>Special purpose financing loans available for certain businesses unable to obtain conventional financing, including small contractors, minority businesses, water facilities, enterprise zone businesses or other impacted businesses.</p>	Any for-profit small business whose gross sales, including those of affiliates, did not exceed \$25 million in the most recent fiscal year.	Loans are made in amounts from \$50,000 to \$4 million within which real property loans cannot exceed 90 percent of their cost or 20 years in term; machinery and equipment cannot exceed 80 percent of cost nor 10 years in term; and working capital cannot exceed those amounts determined to be necessary by the authority for a maximum term of seven years. The rate of interest is .50 percent over the latest 30-year U.S. Treasury rate outstanding as of the first day of each calendar quarter. Limit of \$4 million to any one borrower or SBIC and up to \$1 million to state or local development corporations.	Ongoing
Connecticut	Connecticut Innovations	Connecticut Innovations, Inc.	Equity	The goal of these efforts is the creation and sustainable growth of a community of high technology companies vital to Connecticut's future.	To be considered as a Connecticut Innovations portfolio client, a company must have a proprietary technology, since this is typically the collateral for providing funds.	Product development financing is available for a minimum of 40 percent of the project funds between \$50,000 and \$1,000,000 in funds. Companies may apply for up to \$500,000 under CTP. Investments are structured using a variety of vehicles, including debt, equity, quasi-equity and royalties. Generally, the fund expects a compounded annual rate of return of 25-40 percent. The structure of the investment terms depends upon the risk assessment made by Connecticut Innovations' staff, and the needs of the business.	Ongoing

Connec-ticut	Electronic Data Processing Equipment Property Tax Credit	Department of Revenue Services	Tax Credit	Property tax credit for electronic data processing equipment.	Statewide	Property tax credit that provides a 100 percent credit for property tax paid on electronic data processing equipment. Unused credits may be carried forward for five income years.	Ongoing
Connec-ticut	Enterprise Corridor Zones	Department of Economic and Community Development	Mixed Tax	Enterprise Corridor Zones are located along Route 8 in the state's Naugatuck Valley and Interstate 395 in the eastern region of the state. The benefits available in an enterprise corridor zone are the same as in an enterprise zone, subject to the similar qualifying terms and conditions.	The communities located in the corridor zones are: Ansonia, Beacon Falls, Derby, Griswold, Killingly, Lisbon, Naugatuck, Plainfield, Putnam, Seymour, Sprague, Sterling and Thompson. Municipalities in the enterprise corridor zones are not classified as targeted investment communities, and are therefore not eligible to extend urban job benefits.	In the case of an Enterprise Corridor Zone, for the purposes of obtaining the enhanced 50 percent level of corporate credits, the hiring level for new full time positions remains at 30 percent of those positions being filled by residents of the community in which the project takes place, who are JTPA eligible.	Ongoing
Connec-ticut	Enterprise Zone or Entertainment District Tax Credit	State of Connecticut Department of Economic And Community Development	Tax Credit	Tax credit for relocating or expanding a facility within a designated enterprise zone or entertainment district.	Enterprise zones or entertainment districts. Manufacturers, R&D, warehousing and certain services and entertainment related businesses as defined by regulations.	Allows a business 25 percent or 50 percent of their allocable State Corporate business tax as a credit. Corporations may claim this credit for 10 years beginning with the first year following certification.	Ongoing
Connec-ticut	Enterprise Zone Program	State of Connecticut Department of Economic and Community Development	Mixed Tax	Connecticut's Enterprise Zone Program represents a state and local partnership for the promotion of good business development, residential development, and the creation and retention of jobs. It targets a variety of state and local incentives for specific areas of 17 Connecticut municipalities.	Manufacturers and certain qualifying service sectors firms in the targeted investment communities. Program geared toward manufacturing and certain service sector businesses as well as research and development related to manufacturing and distributors of manufactured products. Eligible facilities include newly constructed facilities, older facilities idle for at least one year prior to being acquired through lease or purchase, and facilities that are substantially renovated or expanded. Also, facilities must have a standard industrial code 2000 to 3999.	Manufacturing facilities located within the zones are eligible for the following assistance: 1) Five-year, 80 percent abatement of local taxes on real estate improvements and personal property acquisitions; 2) Ten-year, 25 percent credit on corporate business taxes, 50 percent if at least 5 percent of all new employees are from the enterprise zone or from the municipality's disadvantaged population. 3) Low-cost loans and free technical assistance; 4) Job-training and placement assistance; 5) Exemptions on both state real estate conveyance taxes and sales taxes on machinery replacement parts. Both commercial	Ongoing

						businesses and residential facilities (where tenants satisfy maximum income level criteria) are eligible for a seven-year graduated tax deferral on increased assessments for improvements to property, exemptions on state real estate conveyance tax, and local incentives.	
Connecticut	Financial Institutions Tax Credit	Department of Economic and Community Development	Tax Credit	This credit is available to financial institutions which construct a new facility of at least 900,000 square feet and create a minimum of 1,200 new jobs.	Statewide	Credit levels of 30 percent, 40 percent or 50 percent are based on the number of qualified employees. This credit may be taken for up to ten years.	Ongoing
Connecticut	Manufacturing Assistance Act	State of Connecticut Department of Economic and Community Development	Loan	The most comprehensive of the Department's financing programs, this act allows for the provision of financing for a variety of projects.	Statewide- Manufacturing or economic base business.	Funds 50 percent of total project costs; up to 75 percent for joint ventures between two or more municipalities, up to 90 percent in targeted investment communities, and up to 100 percent for defense diversification projects.	Ongoing
Connecticut	Manufacturing Credits to Facilities Located in Distressed Municipalities and Enterprise Zones	Department of Revenue Services	Tax Credit	Tax Credits up to 50 percent are available through the Department of Economic and Community Development (DCED) for corporations (including manufacturing facilities) that are located in designated distressed municipalities and enterprise zones within Connecticut.	Statewide		Ongoing

Connecticut	Manufacturing Facility in a High Unemployment Area Tax Credit	State of Connecticut Department of Economic and Community Development	Tax Credit	A credit may be applied against the portion of the corporation Business tax allocable to a manufacturing facility located in a distressed municipality.	Operating in a designated area of high unemployment	The credit period lasts for ten years beginning with the first year following certification.	Ongoing
Connecticut	Tax Credits for Manufacturers Located in Connecticut's Targeted Investment Communities	State of Connecticut Department of Economic and Community Development	Tax Credit	A ten year tax credit for businesses relocating to or expanding in one of Connecticut's Targeted Investment Communities.	Targeted Investment Communities- 'Eligible activities include investments in manufacturing facilities or in research and development activities related to manufacturing.	25 percent corporate tax credit for 10 years.	Ongoing
Connecticut	Tax Increment Financing	Connecticut Development Authority	Bond	Tax-exempt and taxable bonds for special economic development projects using incremental state tax revenues as partial security for the bonds.	Large-scale economic development projects approved by the Authority prior to 7/1/96 and determined to be self-sustaining through the generation of incremental taxes collected under the sales, admission, cabaret and dues taxes.	Negotiated sale or competitive bid with bond purchasers developed in conjunction with the State Treasurer. Terms generally 10 and 30 years.	Ongoing
Connecticut	Urban Jobs Program	Department of Economic and Community Development	Mixed Tax	The Urban Jobs Program provides incentives to manufacturing businesses to encourage the location and expansion of industrial facilities in targeted investment communities within the state. The incentives are primarily tax incentives.	There are presently 17 targeted investment communities. 'Facilities must have a standard industrial code 2000 to 3999.	Businesses located within the targeted areas are eligible for the following assistance: 1) An 80 percent local property tax abatement for five years for both real and personal property; 2) A corporate business tax reduction of 25 percent for ten years; 3) Working capital loans for small business; 4) A 0.5 percent reduction in charges for state industrial mortgages guarantees. Facility owners are entitled to the property tax incentives; all other incentives are reserved for facility occupants.	Ongoing

Delaware	Corporate Income Tax Credits	Department of Finance	Tax Credits	To encourage new and expanded facilities within targeted industries in Delaware.	Firms within targeted industries, including: manufacturers; wholesalers; laboratories used for scientific, agricultural, or industrial research, development or testing; computer processors; engineering firms, consumer credit reporting services; wholesale of computer software; telecommunications and aviation services.	Firms within targeted industries qualify for corporate income tax credits of \$400 for each new employee and \$400 for each new \$100,000 investment. Firms within targeted industries who also locate in a targeted area qualify for \$650 for each new employee and \$650 for each new \$100,000 investment. Firms must invest a minimum of \$200,000 and create a minimum of five new positions. Total credits in any taxable year cannot exceed 50 percent of the pre-tax liability. Unused credits can be carried forward during the ten-year Program. Selected commercial and retail businesses which locate in one of the 30 targeted census tracts and meet the minimum investment/employment criteria, qualify for credits of \$400/new employee and \$400/\$100,000 investment.	Ongoing
Delaware	Corporate Income Tax Credits (Targeted Industry & Targeted Areas)	Delaware Economic Development Office	Tax Credit	Delaware has identified targeted industries and targeted areas for economic development purposes and provides tax credits for qualifying new and expanded facilities for up to ten years. This program has a requirement of job creation associated with it.	Targeted areas are defined as: a) real property that is owned by any level of government or any of their agencies; b) real property owned by a non-profit organization which is organized and operated solely for the purpose of fostering economic development; c) real property which has been approved as a Delaware Foreign Trade Zone; and d) 30 low income Census Tracts throughout the State.	Firms within targeted industries qualify for corporate income tax credits of \$400 for each new employee and \$400 for each new \$100,000 investment. Firms within targeted industries who also locate in a targeted area qualify for \$650 for each new employee and \$650 for each new \$100,000 investment. Firms must invest a minimum of \$200,000 and create a minimum of five new positions. Total credits in any taxable year cannot exceed 50 percent of the pre-tax liability. Unused credits can be carried forward during the ten-year program. Selected commercial and retail businesses which locate in one of the 30 targeted census tracts and meet the minimum investment/employment criteria,	Ongoing

						qualify for credits of \$400/new employee and \$400/\$100,000 investment.	
Delaware	Delaware Venture Partners	Triad Investors Corporation	Loan	Delaware Venture Partners has the ability to fund seed stage, early stage, and later stage companies in both technology related and non-technology fields.	All computer-related, high technology, biotechnology, medical, communications, environmental and manufacturing.	Investments can range from \$150,000 for seed stage companies up to \$2 million or more for later stage companies.	Ongoing
Delaware	Public Utility Tax Rebates for Industrial Users	Department of Finance	Tax Refund	This program provides rebates of public utility tax for industrial firms meeting the criteria for targeted industry tax credits.	All industrial users of gas and electricity.	Qualifying industrial users are eligible for a rebate of 50 percent of the Public Utilities Tax imposed on new or increased consumption of gas and electricity for five years.	Ongoing
Florida	Capital Investment Tax Program	Enterprise Florida, Inc.	Tax Credit	The Capital Investment Tax Credit is an annual credit against the corporate income tax for up to 20 years.	In order to qualify for consideration under the program, an applicant must be in a designated high impact sector (currently silicon technology; transportation equipment manufacturing-SICs 372, 376 and 3711; or information technology—SICs 357, 366, 367, 481, 482 and 737). Other industries are expected to be designated in the future.	<p>The amount of the annual credit is up to five percent of the eligible capital costs generated by a qualifying project or a specified percentage of the annual corporate income tax liability generated by the project, whichever is lower. Those percentages are:</p> <p>One hundred percent, for a project with a cumulative capital investment of at least \$100 million;</p> <p>Seventy-five percent, for a project with a cumulative capital investment of at least \$50 million but less than \$100 million; and</p> <p>Fifty percent, for a project with a cumulative capital investment of at least \$25 million but less than \$50 million.</p>	Ongoing

Florida	Enterprise Zone Jobs Tax Credit (Corporate Income Tax)	Office of Tourism, Trade and Economic Development	Tax Credit	Business located in a state-designated Enterprise Zone, who pay corporate income tax and create a new full-time job, are eligible to receive a corporate income tax credit for wages paid to new employees who have been employed by the business for at least three months and are residents of a Florida Enterprise Zone.	State-designated enterprise zones. Firms must earn more than \$5,000 to take advantage of the credit.	The credit amounts to 20 percent of wages paid to new employees who are residents of a Florida enterprise zone. If 20 percent or more of the permanent, full-time employees are residents of a Florida enterprise zone, the credit is 30 percent. The credit is available for up to two years per new employee. In "Rural Enterprise Zones" businesses will receive a credit of 30 percent paid to new eligible employees in a full-time job who are residents of a "Rural County". If 20 percent or more of the permanent, full-time employees are residents of a zone, the credit is 45 percent.	Ongoing
Florida	Enterprise Zone Jobs Tax Credit (Sales and Use Tax)	Office of Tourism, Trade and Economic Development	Tax Credit	Business located in a state-designated Enterprise Zone, who collect or pay Florida sales and use tax and create a new full-time job, are eligible to receive a monthly credit against their tax due on wages paid to new employees who have been employed by the business for at least three months in a full-time job and are residents of a Florida Enterprise Zone.	State-designated enterprise zones	The credit amounts to 20 percent of wages paid to new employees who are residents of a Florida enterprise zone. If 20 percent or more of the permanent, full-time employees are residents of a Florida enterprise zone, the credit is 30 percent. The credit is available for up to two years per new employee. In "Rural Enterprise Zones" businesses will receive a credit of 30 percent paid to new eligible employees in a full-time job who are residents of a "Rural County". If 20 percent or more of the permanent, full-time employees are resident of a zone, the credit is 45 percent.	Ongoing
Florida	Enterprise Zone Property Tax Credit	Enterprise Florida, Inc	Tax Credit	New or expanded businesses located in a state -designated enterprise zone are eligible for a corporate income tax credit equal to 96 percent of ad valorem taxes paid on the new or improved property.	State-designated enterprise zones. Firms must earn more than \$5,000 to take advantage of the credit.	The corporate income tax credit is available for a period up to five years, up to a maximum of \$25,000 annually, and may be carried forward for five years. If 20 percent of the permanent employees of the business are residents of the zone, the maximum amount of the credit is increased to \$50,000 annually. New	Ongoing

						or expanded businesses must create at least five new jobs.	
Florida	Florida Enterprise Zone Program	Enterprise Florida, Inc	Tax Credit	Florida's Enterprise Zone Program offers financial investment opportunities to businesses located in designated areas found in both urban and rural communities.	Tax savings are offered to businesses who are located within a designated Enterprise Zone who employ zone residents, rehabilitate real property or purchase business equipment. Tax investments are also available to businesses who pay either the Florida Corporate Income Tax or the Florida Sales and Use Tax.	The following state investments are offered to encourage private investment in the zones as well as employment opportunities for the area's residents: Enterprise Zone Jobs Tax Credit (Sales & Use Tax), Enterprise Zone Jobs Tax Credit (Corporate Income Tax), Sales Tax refund for building materials, sales tax refund for business machinery and equipment, and sales tax exemption for electrical energy, and humanity contribution tax credit.	Ongoing
Florida	High Impact Business Performance Incentive	Enterprise Florida, Inc	Grant	The High Impact Business Performance Incentive (HIPI) is a negotiated inactive grant provided to pre-approved applicants in certain high-impact sectors.	In order to qualify for consideration under the program, an applicant must be in a designated high impact sector (currently silicon technology or transportation equipment manufacturing). Applicants must also create at least 100 new full-time jobs in Florida in a three-year period and make a cumulative investment of at least \$100 million in the same time-frame. For research and development facilities, the requirements are lower. Seventy-five full-time jobs need to be created and there should be a cumulative capital investment of at least \$75 million over a three year period.	Section 288.108 (3)(b), Florida Statutes, provides guidelines on the amount of grant to be given to an eligible high impact business.	Ongoing

Florida	Qualified Defense Contractor Tax Refund Program	Enterprise Florida, Inc	Tax Refund	The Qualified Defense Contractor Tax Refund Program provides a tax refund of up to \$5,000 per job created or saved in Florida through the conversion of defense jobs to civilian production, the acquisition of a new defense contract, or the consolidation of a defense contract which results in at least a 25 percent increase in Florida employment, or a minimum of 80 jobs.	All- In order to qualify for consideration under the program an applicant must: pay an average annual wage that is at least 115 percent of the state or local average wages; have in the last year derived at least 70 percent of its Florida gross receipts from Department of Defense contracts and not less than 80 percent over the preceding five years; create at least a 25 percent increase in Florida employment or 80 new jobs if a consolidation project; show that the jobs make a significant economic contribution to the area economy; demonstrate that the tax refund is necessary for the business to compete for the new contract or make the consolidation; and provide a resolution from the city or county commission recommending the applicant for the incentive.	Once certified by the OTTED, the applicant may receive funds up to the project cap on the taxes it pays including corporate income, sales and excise, ad valorem, and documentary stamp taxes, subject to the following: 1) up to 25 percent of the total refund may be taken per year as long as the business in maintaining project employment and wage levels, 2) up to \$2.5 million may be refunded to a single defense contractor in any year, 3) up to \$7.5 million may be refunded to a single defense contractor in all three years under the program. The local community provides a match equaling 20 percent of the tax refund. If located in a Rural Economic Development Initiative (REDI) county, the business may elect to be exempt from the local match and accept a refund equal to 80 percent of the refund for which they would otherwise qualify.	Ongoing
Florida	Quick Response Training Program	Workforce Florida, Inc.	Grant	Quick Response's customer-driven training programs provide rapid, effective training which is specifically tailored and designed to meet the needs of Florida business.	Special consideration will be given to applicants located in a distressed urban or rural area or Enterprise Zone. Funding priority given to business creating high skill/high wage jobs, in qualified targeted industries· jobs located in a distressed Urban Inner City Area or Rural Area, jobs located in an Enterprise Zone or Brownfield Area, whose grant proposals have the greatest potential for economic impact, that contribute in-kind and cash matches.	Once approved, a grant agreement is signed and the applicant is eligible for reimbursement of direct training costs I.e. instructors' salaries, curriculum development and manuals. Payments are made monthly on a reimbursement and performance basis as per terms of the grant agreement. The maximum grant term is 24 months.	Ongoing

Florida	Qualified Target Industry Tax Refund	Enterprise Florida, Inc.	Tax Refund	To encourage quality job growth in targeted high value-added businesses.	Qualified Target Industries: Corporate headquarters; manufacturers of food, apparel, furniture, paper, printing and publishing, chemicals, rubber, primary/fabricated metals, industrial machinery, electronic equipment, transportation equipment; communications, security/commodity brokers; insurance carriers; business services.	Tax refunds to pre-approved applicants of up to \$5,000 per new job created; \$7,500 in an Enterprise Zone. New or expanding businesses in selected targeted industries or corporate headquarters are eligible. The applicant may receive refunds on taxes it pays including corporate income, sales, ad valorem, intangible personal property, insurance premia, and certain other taxes. There is a cap of \$5 million per single qualified applicant in all years, and no more than 25 percent of the total refund approved may be taken in any single fiscal year. The local community provides a match equaling 20 percent of the tax refund. If located in a Rural Economic Development Initiative county, the business may elect to be exempt from the local match and accept a refund equal to 80 percent of the refund for which they would otherwise qualify.	Ongoing
Florida	Qualified Target Industry Tax Refund Program (QTI)	Enterprise Florida, Inc	Tax Refund	The Qualified Target Industry (QTI) Tax Refund Program is a tool available to Florida communities to encourage quality job growth in targeted high value-added businesses.	Manufacturing facilities, Finance & Insurance Services, Wholesale Trade, Information Industries, Professional, Scientific & Technical Services, Management Services, Administrative & Support Services.	Pre-approved applicants who create jobs in Florida receive tax refunds of \$3,000 per new job created; \$6,000 in an Enterprise Zone or Rural County. For businesses paying 150 percent of the average annual wage, add \$1,000 per job; for businesses paying 200 percent of the average annual salary, add \$2,000 per job. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.	Ongoing
Florida	Rural Job Tax Credit Program	Enterprise Florida, Inc.	Tax Credit	The Rural Job Tax Credit is a \$1,000 tax credit per qualified employee to be taken against either the Florida Corporate Income Tax or the Florida Sales and Use Tax.	Florida's 33 rural counties. The list of eligible industries includes: Manufacturers, Printing and Publishing Firms, and Mining, Agriculture, Hotels, Customer Service Centers.	New businesses must create at least 10 new jobs. Existing businesses must increase its employment base by 20 percent, if the business has fewer than 50 employees. Existing businesses with 50 or more employees must create at least 10	Ongoing

						new jobs.	
Florida	Sales and Use Tax Exemption on Machinery and Equipment	Enterprise Florida, Inc.	Tax Exemption	The Sales and Use Tax Exemption on Machinery and Equipment is an incentive made available to new and expanding businesses who use such equipment at a fixed location to manufacture, process, compound, or produce tangible personal property for sale, or for exclusive use in spaceport activities.	Manufacturing machinery and equipment (MME) bought or used for manufacturing, compounding, or producing items of tangible personal property.	New manufacturing operations are fully exempt. Expanding businesses pay sales or use tax of \$50,000 for each calendar year of the expansion project before the exemption or refund is available.	Ongoing
Florida	Sales Tax Exemption for Electrical Energy Used in an Enterprise Zone	Office of Tourism, Trade and Economic Development	Tax Exemption	Businesses located in an enterprise zone may receive 50 percent exemption from the municipal utility tax, if the municipality has enacted an ordinance for the exemption of the utility taxes in an enterprise zone. In addition, businesses are exempted from 50 percent of the state sales tax on utilities. If 20 percent of the firm's employees are zone residents, the business is totally exempt from the tax.	State-designated Enterprise Zones with local ordinance exempting 50 percent of the municipal utility tax.	These exemptions are available for up to five years.	Ongoing
Florida	Sales Tax Refund for Building Materials Used in an Enterprise Zone	Office of Tourism, Trade and Economic Development	Tax Refund	Businesses or homeowners located in an enterprise zone may receive a sales tax refund for sales taxes paid on building materials used to rehabilitate real property located in the zone.	Enterprise Zones	Pollution control equipment is also exempt from sales and use tax.	Ongoing
Florida	Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone	Office of Tourism, Trade and Economic Development	Tax Refund	Businesses located in an enterprise zone may receive a sales tax refund on sales taxes paid to purchase new and used business property (e.g. tangible personal property such as office equipment, warehouse equipment, and some industrial machinery and equipment) which is used	State-designated Enterprise Zones	Beginning July 1, 2002, the sales tax on labor charges for the repair of, and parts and materials used in the repair of and incorporated into, industrial machinery and equipment that qualify for the sales tax exemption is also fully exempt.	Ongoing

				exclusively in an enterprise zone for at least three years.			
Florida	Semiconductor, Defense, or Space Technology Sales and Use Tax Exemption (SDST)	Enterprise Florida, Inc.	Tax Exemption	This is an exemption of sales and use taxes that would otherwise be paid by the semiconductor, defense or space technology business on machinery and equipment used in production and research and development.	Semiconductor, Defense, or Space technology based facilities.	<p>Semiconductor Technology Industrial machinery and equipment used in semiconductor technology facilities to manufacture, process, compound, or produce semiconductor technology products for sale or for use by these facilities are exempt from 100 percent of the tax imposed. Machinery and equipment used predominately in semiconductor wafer research and development activities in a semiconductor technology research and development facility are also fully exempt from the tax imposed.</p> <p>Defense or Space Technology Industrial machinery and equipment used in defense or space technology facilities to manufacture, process, compound, or produce defense technology products or space technology products for sale or for use by these facilities are exempt from 25 percent of the tax imposed. Machinery and equipment used predominately in defense or space research and development activities in a defense or space technology research and development facility are also exempt from 25 percent of the tax imposed.</p>	Ongoing

Florida	Silicon Technology Sales Tax Refund Program	Enterprise Florida, Inc.	Tax Refund	To reduce the tax liability associated with the purchase of replacement research and development equipment employed by silicon technology-based industries.	Silicon technology-based facilities.	For silicon technology-based facilities, any sales and use taxes paid for replacement and research equipment purchased are eligible for a full refund. A certified silicon technology-based company may elect to receive all or a portion of the refund or, at the option of the company and with the agreement of the university or community college, a portion of the refund may be directed to a state university or community college. If the university or community college agrees to receive the funds, it must further agree to match them equally and use the proceeds to deliver educational and research services that provide direct benefit to the company and its employees.	Ongoing
Georgia	Appalachian Region Business Development Revolving Loan Fund	Department of Community Affairs	Loans	To attract businesses to the Appalachian region.	Private, for profit businesses in the Appalachian region.	\$3m pool. Loans equal \$200,000 per qualifying business, or 50 percent of total project cost. Loans are usually made "below market rate."	Ongoing
Georgia	Enterprise Zone Program	Georgia Department of Industry, Trade and Tourism	Tax Credit	State legislation was enacted in 1983, pertaining to Atlanta only. It was later extended to provide for statewide enterprise zone designations in 1997. Companies locating within the zones receive 100 percent exemption on inventory for 25 years. Legislation allows other communities to create "development districts" which are similar to Atlanta's Enterprise Zones.	'Areas of poverty, unemployment, and general distress. Zone areas can not be less than: Industrial-25 acres; commercial-8 acres; housing-5 acres.	Industrial: Ad valorem tax reductions on property taxes on Freeport-eligible inventory for 25 years, with a 100 percent property tax reduction in the first five years and 80, 60, 40, and 20 percent reductions in subsequent five year periods; a 100 percent exemption exists for inventory for 25 years. Housing and Commercial: Zone created for ten years with exemptions for real property being 100 percent for 5 years; 80 percent 6 and 7 years; 60 percent for 8 years; 40 percent for 9 years; 20 percent for 10 years. Non-exempt real property is taxed by the City.	Ongoing

Georgia	Foreign Trade Zones	Georgia Department of Industry, Trade and Tourism	Mixed Tax	Three FTZs (and several sub-zones) provides tax advantages for companies importing foreign goods, which may be brought into zones without formal entry payment of duties, excise taxes, or payment of property taxes. Inside the zones, goods may be processed, consolidated, assembled, repacked, exhibited, manipulated, re-labeled, used in manufacture, stored until needed, or shipped back into the United States, at which time duties would be paid.	Manufacturers, importers. Manufacturers using both domestic and foreign components.		Ongoing
Georgia	Headquarters Tax Credit	Georgia Department of Industry, Trade and Tourism	Tax Credit	Companies establishing their headquarters or relocating their headquarters to Georgia may be entitled to a tax credit if the criteria are met (See Rates, Terms, Limits).	All	The following criteria must be met to be eligible -- New jobs created at a new headquarters must be full-time (as defined by the law and regulation) and must pay above the average wage for Tier 1 counties, at least 105 percent of the average wage for Tier 2 counties, at least 110 percent of the average wage of Tier 3 counties, and at least 115 percent of the average wage for Tier 4 counties. -- Within one year, a company must invest \$1 million and create 100 jobs at a new headquarters facility. -- The company must elect not to take the job or investment tax credits. The credit is equal to \$2,500 annually per new full-time job or \$5,000 if the average wage of the new full-time jobs is 200 percent or more of the average wage of the county in which the new jobs are located. The credits apply for five years beginning with the year in which jobs are placed in service. The credit may be taken against Georgia income tax liability and a company's withholding taxes. Credits may be carried forward for 10	Ongoing

						years.	
Georgia	Investment Tax Credit	Georgia Department of Industry, Trade and Tourism	Tax Credit	Part of Georgia's Business Expansion and Support Act of 1994 which allows manufacturers and/or support facilities in operation for 3 years a tax credit.	Counties (census tracts) ranked by unemployment rate, income, wage, and poverty level. Eligible use can be investment, recycling, pollution control, and defense conversion activities. All manufacturing and telecommunications companies are eligible to receive the tax credit.	Based on the same tiers as the Job Tax Credit program. Allows a taxpayer that has operated an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in the state for the previous five years to obtain a credit against income tax liability. -- Companies expanding in Tier 1 counties must invest \$50,000 to receive a 5 percent credit. That credit increases to 8 percent for recycling, pollution control, and defense conversion activities. -- Companies expanding in tier 2 counties must invest \$50,000 to receive a 3 percent tax credit. That credit increases to 5 percent for recycling, pollution control, and defense conversion activities. -- Companies expanding in Tier 3 or Tier 4 counties must invest \$50,000 to receive a 1 percent credit. That credit increases to 3 percent for recycling, pollution control, and defense conversion activities.	Ongoing

Georgia	Job Creation Tax Credit	Georgia Department of Industry, Trade and Tourism	Tax Credit	Part of Georgia's Business Expansion and Support Act of 1994 which allows statewide tax credits for businesses locating or expanding in the state. Also, Job Tax Credit for Joint Development Authorities provides for an additional \$500 job tax credit for a business locating within the jurisdiction of a joint authority of two or more contiguous counties.	Counties (census tracts) are ranked according to the rate of unemployment, income, wages, and poverty level. Industries include manufacturing, warehousing and distribution, processing, tourism, and research and development industries.	The four Tiers are as follows: Tier 1 counties that are ranked 1st through 71st represent the state's least developed counties. Companies creating 5 or more new jobs in a Tier 1 county may receive a \$3,500 tax credit; Tier 2 counties are ranked 72nd through 106th. Companies creating 10 or more jobs in a Tier 2 county may receive a \$2,500 tax credit; Tier 3 counties are ranked 107th through 141st. Companies creating 15 or more new jobs in a Tier 3 county may receive a \$1,250 tax credit; Tier 4 counties are ranked 142nd through 159th. Companies creating 25 or more new jobs in a Tier 4 county may receive a \$750 tax credit. Credits similar to the credit available in Tier 1 counties are potentially available to companies in certain "less developed" census tracts in the metropolitan areas of the state. At least 30 percent of the new jobs created in these census tracts must be held by residents of the eligible census tracts or a Tier 1 county.	Ongoing
Georgia	Ports Activity Job Tax & Investment Tax Credit	Georgia Department of Industry, Trade and Tourism	Tax Credit	Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development that increase their port traffic tonnage through Georgia ports by more than 10 percent over their 1997 base year port traffic, or by more than 10 percent over 75 net tons, five containers or 10 20-foot equivalent units (TEU's) during the previous 12 month period are qualified for increased job tax credits or investment tax credits.	Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development that increase their port traffic tonnage through Georgia ports by more than 10 percent over their 1997 base year port traffic, or by more than 10 percent over 75 net tons, five containers or 10 20-foot equivalent units (TEU's) during the previous 12 month period are qualified for increased job tax credits or investment tax credits.	Companies that increase their port traffic tonnage through Georgia ports by more than 10 percent over the 1997 port traffic base year, or 75 net tons, five containers, or ten 20-foot equivalent units (TEU) during the previous 12-month period, and meet Business Expansion and Support Act criteria for the county in which they are located, are qualified for increased job tax credits or investments tax credits. Base year port traffic must be at least 75 net tons, five containers or 10 TEUs. Companies that create 400 or more new jobs, invest \$20 million or more	Ongoing

						in new and expanded facilities, and increase their port traffic by more than 20 percent above their port traffic base year may take both job tax credits and investment tax credits. Job Tax Credits—Companies may qualify for tax credits based on the tier level of the county in which they locate.	
Georgia	Sales Tax Exemption	Georgia Department of Industry, Trade and Tourism	Tax Exemption	A tax exemption for machinery replaced, upgraded, or incorporated into a manufacturing plant. A sales and use tax exemption on purchases of primary material handling equipment. A sales tax exemption for electricity purchased that interacts directly with a product being manufactured. Tax exemption provided by Georgia law for new machinery and equipment. Other exemptions: purchase for resale; machinery used directly in making a product for sale; Raw materials that will become a component of a finished product, i.e., paint on automobiles; machinery and equipment used for pollution control.	Manufacturing, remanufactures of aircraft engines, parts, and components, and government contractors for DOD or NASA.	Ongoing	
Hawaii	Enterprise Zone Program	Department of Business, Economic Development and Tourism	Mixed Tax	Businesses within a designated enterprise zone and qualifying under the Program (manufacturing, wholesaling, maintenance or repair) are eligible for General Excise Tax exemptions and are eligible for two different types of income tax credits. These include a seven-year exemption from general excise taxes on gross proceeds; an 80 percent first-year income tax abatement (decreasing 10 percent	Enterprise Zones- Qualifying businesses include manufacturing, wholesaling, aviation and maritime repair, telecommunications, medical research, data systems and international executive training.	Ongoing	

				each year thereafter during the next six years), and an income tax credit equal to 80 percent of unemployment taxes paid during the first year (decreasing 10 percent during the next six years). Counties also contribute one or more incentives for each zone designated under its jurisdiction. Each county designates areas as special enterprise zones, such as agricultural enterprise zones, to provide tax breaks, incentives, and other advantages to businesses in the area.			
Hawaii	High Tech Business Investment Tax Credit	Department of Taxation	Tax Credit	The high-technology business investment tax credit provides a nonrefundable income tax credit to encourage Hawaii taxpayers to invest in "qualified high technology businesses (QHTBs)." The tax credit is up to a maximum credit of \$2 million per single-year's investment, per business, claimed over a 5-year period. The credit can be taken against the income tax for tax years 2000 through 2005. If the tax credit exceeds the taxpayer's liability, the excess of the tax credit may be carried over to subsequent years until exhausted.	High technology businesses.	(1) From 2001 to 2003, a QHTB can sell a maximum of \$500,000 of its net operating loss per year for any net operating loss occurring in the two previous taxable years. The sale price must be 75 percent or more of the tax benefit sold, and the amount received by the seller is not taxed as income. (2) A maximum of \$2 million per year per business non-refundable income tax credit with carryover in a qualified high technology business. (3) Capital loss can be carried forward by a QHTB.	Ongoing
Hawaii	Motion Picture and Film Production Income Tax Credit	Department of Business, Economic Development and Tourism	Tax Credit	Each taxpayer subject to Hawaii's net income tax, who incurs production costs and transient accommodations costs in Hawaii while producing a motion picture or television film that benefits Hawaii's economy, may claim a motion picture and film production income tax credit for the taxable year.	Motion picture and film industry.	The tax credit is comprised of two parts: (1). An amount up to 4 percent of the costs incurred in Hawaii in the production of motion picture or television films. (2). An amount up to 7.25 percent of the costs incurred in Hawaii in the production of motion picture or television films for actual expenditures for transient accommodations. This tax credit is also refundable.	Ongoing

Hawaii	Revolving Venture Capital Fund	Hawaii Strategic Development Corporation	Equity	The Corporation invests public funds in professionally managed venture capital limited partnerships.	High-technology and innovation businesses are given priority.	Corporation has committed \$14 million, pooled with private capital , into seven venture capital funds.	Ongoing
Hawaii	Royalties Tax Exemption	Department of Taxation	Tax Exemption	Effective January 1, 2000, amounts received by an individual or a qualified high technology business as royalties and other income derived from patents and copyrights owned by the individual or qualified high technology business, and developed and arising out of a qualified high technology business, will be exempt from income tax.	High technology industry	Royalties and other income derived from patents and copyrights owned by the individual or qualified high technology business, and developed and arising out of a qualified high technology business, will be exempted from income tax.	Ongoing
Hawaii	Stock Options Tax Exemption	Department of Taxation	Tax Exemption	All income received from stock options from a qualified high technology business by an employee that would otherwise be taxed as ordinary income or as capital gains is exempt from income tax. "Qualified high technology business" refers to a business performing qualified research. "Qualified research" means (1) the same as in section 41 (d) of the Internal Revenue Code or (2) developing, designing, modifying, programming, and licensing computer software.	High technology industry	All income received from stock options from a qualified high technology business is exempted from income tax.	Ongoing
Idaho	Broadband Equipment Investment Tax Credit	Department of Revenue and Taxation	Tax Credit		Statewide program with emphasis in rural areas on telecom industries.	The broadband equipment investment tax credit allows a credit up to \$750,000. The credit can be transferred. There is a 14 year carry forward provision. There is currently a 5 year sunset on the credit.	Ongoing

Idaho	Idaho Workforce Development Training Fund	Department of Commerce & Department of Labor	Grant	The Workforce Development Training Fund (WDTF) was created to provide worker training for specific economic opportunities and industrial expansion initiatives; provide training to upgrade the skills of currently employed workers at risk of being permanently laid off; and help communities attract and retain appropriate businesses. Training may be provided by state technical colleges, colleges, other public or private training organizations, by the employer, and through partnerships among the above entities. A statewide network of training providers is coordinated by the Division of Professional-Technical Education. This network can deliver customized job training for new and expanding industries anywhere in the state and can provide uniform training simultaneously at multiple locations.	Basic industries sell products and services outside of Idaho, thereby bringing new revenue into the state and creating new jobs. Non-basic industries sell products and services in the local area recirculating existing revenues and are eligible only if a compelling economic benefit to the state can be shown.	New guidelines adopted in 2001 provide a rural component that increases training funds from \$2,000 to \$3,000 per employee, eliminated the matching requirement and simplified the application process if the business is in a distress rural county. Idaho basic industries will be given priority over other industries.	Ongoing
Idaho	Rural Community Block Grant		Loans	To finance and facilitate business development in select areas.	Public owned land, buildings, infrastructure. Requires job creation within communities that have a population of 10,000 or less. Large cities are not eligible. The project must address the needs of the residents of their jurisdiction or import area.	Grants up to \$500,000.	Ongoing
Idaho	Rural Rehabilitation Loan Program	Idaho State Department of Agriculture	Loans	To offer financing and assistance for rural development.	Individuals and organizations in Idaho whose agricultural projects provide rural development.		Ongoing
Idaho	Sales Tax Production Exemption	Department of Revenue and Taxation	Tax Credit		Manufacturing; Processing; Mining; Fabrication; Logging; Semiconductor Clean Rooms	100 percent exemption from sales and use tax	Ongoing

Illinois	Capital Access Program	Illinois Department of Commerce and Economic Opportunity	Incentive to lenders	Provides portfolio insurance to lenders on loan defaults.	Higher match is available to lenders who provide financing to businesses located in a Federally designated Empowerment Zone or Enterprise Community (200 percent match); or minority-, women-, and disabled-owned companies.	The lender sets the rate and terms for loans to businesses. Reserve premiums range to 150 percent of the bank's non-refundable fee of 3-7 percent.	Ongoing
Illinois	Coal Demonstration Program	Illinois Department of Commerce and Economic Opportunity	Mixed Financing	Finances state-of-the-art development and demonstration projects for advanced coal systems with utility and industrial applications.	Coal mining companies and electric power producers.	Program provides partial funding; nearly all demonstration projects have leveraged other public or private funds. Grants typically range from \$1-30 million.	Ongoing
Illinois	Coal Development Program	Illinois Department of Commerce and Economic Opportunity	Grant	Provides funds to advance promising new coal research technologies through the proof of concept state to the commercial demonstration stage. Includes technology maturation, technology transfer and related studies.	Companies employing clean coal technologies.	50/50 cost share.	Ongoing
Illinois	Enterprise Zone Financing Program	Department of Commerce and Community Affairs	Loan	Program is designed to promote growth and development within the enterprise zone.	Any for-profit entity with less than 500 employees locating in an Illinois Enterprise Zone.	DCCA may participate in an eligible loan for no less than \$10,000, nor more than \$75,000. In no case shall the amount of DCCA's subordinated participation exceed 25 percent of the total project. DCAA's rate will be 200 basis points below the Wall Street Journal Prime rate, but in no event will the rate be less than 3 percent.	Ongoing
Illinois	Coal Infrastructure Program	Illinois Department of Commerce and Economic Opportunity	Grant	Encourages communities and businesses to improve the coal extraction, preparation, and transportation systems in order to remedy barriers to the economic employment of coal.	Coal mining companies, transportation companies, local communities.	Grants typically range from \$50,000 to \$900,000.	Ongoing

Illinois	Coal Revival Program	Illinois Department of Commerce and Economic Opportunity	Grant	Provides incentives for the construction of base load coal-fired electricity generation plants.	Electric power producers.	Grants to be based on sales taxes paid on Illinois coal purchases up to a maximum of \$100 million over 25 years.	Ongoing
Illinois	High Impact Business Program	Illinois Department of Commerce and Economic Opportunity	Corporate Income and Sales Tax Credits	Provides investment tax credits, sales tax exemptions for building materials and items consumed in a manufacturing or assembly process, and a utility tax exemption.	To be designated a business must intend to invest \$12 million and create 500 jobs or invest \$30 million and retain 1,500 jobs.	A high impact designation is made for 20 years, but the sales tax and utility tax exemptions are granted for five years with provision for renewal.	Ongoing
Illinois	Enterprise Zone Program	Illinois Department of Commerce and Economic Opportunity	Corporate Income and Sales Tax Credits	Provides investment tax credits, a jobs tax credit, dividend deduction, interest income deduction to financial institutions, contribution deduction to a qualified zone organization, a sales tax exemption on building materials, utility tax exemptions, telecommunication excise tax exemptions, and sales tax exemptions for items consumed during a manufacturing or assembling process. Local governments within a zone may abate local utility taxes and property taxes.	Hired workers must be either dislocated or disadvantaged to qualify the employer for the jobs tax credit.	Enterprise zones are designated by the state for a term of 30 years. The sales tax or consumed items and utility and telecommunications excise tax exemptions are granted for five years with renewal provisions but cannot exceed termination date of zone.	Ongoing
Illinois	Illinois Film Office Technical Assistance	Illinois Department of Commerce and Economic Opportunity	Business Assistance	Provides technical assistance to film television and commercial production companies to encourage development of the film industry in Illinois. Services include location scouting, pre-production and production coordination, liaison assistance, and information hotlines.	Film industry	N.A. -- in-kind assistance.	Ongoing

Illinois	Film Wage Credit	Illinois Department of Revenue	Corporate Income Tax Credit	Provides corporate income tax incentive to motion picture, television, and production companies, based on wages paid, to promote filmmaking in Illinois.	Film industry	25 percent of wages paid to Illinois residents (non-refundable).	Ongoing
Illinois	Rail Freight Program	Illinois Department of Transportation	Mixed financing, mostly loans	Provides loans and grants to communities and businesses to construct or improve rail facilities.	Rail transportation companies, rail transportation customers, local communities.	Terms of loans are negotiable, but the average rate is 3 percent and the average repayment period is 10 to 20 years. Collateral is required.	Ongoing
Illinois	Used Tire Recovery Program	Illinois Department of Commerce and Economic Opportunity	Mixed financing	Provides grants and loans to projects that produce marketable materials from used tires and projects that use tire-derived materials in product manufacture or energy production.	Manufacturing/processing and research/development projects.	Grants and loans are available for manufacturing/processing projects up to \$500,000, grants for procurement or demonstration projects and research/development up to \$200,000, and grants for marketing up to \$75,000.	Ongoing
Illinois	Property Tax Incentives	Illinois Department of Commerce and Economic Opportunity	Tax exemptions, abatements	Only realty is subject to property taxes. Taxing districts may abate partial abatements to commercial or industrial development Enterprise zones may offer total property tax abatement.	Enterprise zone abatement are limited to Illinois' 93 enterprise zones.	Property tax abatement are limited to \$4 million over 10 years, except in Illinois' 93 enterprise zones.	
Illinois	Sales Tax Incentives	Department of Commerce and Community Affairs	Tax Exemption	Sales tax exemptions are provided for farm machinery, farm chemicals, pollution controls, manufacturing machinery, replacement parts for manufacturing machinery, computers used to control manufacturing machinery, and enterprise zone purchases. Purchasers of manufacturing machinery receive a credit equal to 50 percent of what the sales tax would have been if manufacturing machinery was taxed, making it possible for manufacturers to use these credits to offset any other sales tax liability they incur.	The enterprise zone incentives are limited to Illinois' 93 enterprise zones.		Ongoing

Illinois	Tax Increment Finance (TIF) Districts	Illinois Department of Commerce and Community Affairs	Loan	Tax increment financing allows a community to use the increases in various local taxes that result from a redevelopment project to pay for costs involved in the project.	Deteriorated areas with declining tax bases are targeted. Both commercial and industrial sectors are eligible.	TIF districts have a lifetime of 23 years.	Ongoing
Indiana	Community Revitalization Enhancement Districts (CRED)		Tax Credit	Provides tax credits to encourage business development in economically distressed areas of certain Indiana counties.	The area must have an aggregate of at least 50,000 square feet of vacant floor space. - Significant obstacles to redevelopment must exist. - There must be significantly fewer employees in the area than there were 10 years earlier.	The county's annual rate of unemployment must have been above the average statewide rate during at least three of the preceding five years; - the county's median income must either have declined over the preceding 10 years of grown at a lower rate than the statewide average during at least three of the preceding five years; - The population of the county must have declined over the preceding 10 years; and - Certain other criteria (size of empty buildings, job loss and specified obstacles to redevelopment) must be met. Amounts: The tax credit is similar to, but more restrictive than, the Industrial Recovery Site Credit/Dinosaur Program. It is based on 25 percent of the qualified investment.	Ongoing
Indiana	Economic Revitalization Area	Department of Local Government Finance	Tax Abatement	To revitalize economic growth and development in designated urban areas.	All taxpayers making improvements to real property located in designated urban development areas.	The abatement is actually a deduction equal to 100 percent of the increased assessed value of the property due to the improvement in the first year. The abatement drops to 95 percent in the second year and 80 percent in the third year, reaches 50 percent in the fifth year, and is down to 5 percent by the tenth year.	Ongoing
Indiana	Enterprise Zone Program	Department of Commerce	Tax Credit	This program provides tax credits to improve the cash-flow position of a business and improve its access to capital. The program also provides grants for Phase I and Phase II environmental site	Businesses that operate or will operate in an Indiana Enterprise Zone, lenders who make qualified loans within the Enterprise Zone and employees of businesses located in an Enterprise Zone.	Applicants must complete an Enterprise Zone Business Registration annually to receive tax credits. Applicants for a brownfield grant must be submitted through the local Urban Enterprise Association.	Ongoing

				assessments for brownfields located in the Enterprise Zone.		Amounts: Personal property tax credit for inventory and various other credits; amounts vary. Brownfield grant maximum is \$35,000.	
Indiana	Loan Guaranty Programs	Indiana Development Finance Authority	Guarantee	The Indiana Loan Guaranty Program is administered by the Indiana Development Finance Authority (IDFA). Loan guarantees are available to finance land acquisition; building acquisition or improvements; structures; machinery; equipment; facilities; and some working capital.	Eligible firms are high-tech/high-growth companies, agribusiness and some manufacturing companies. Must create or retain Indiana jobs.	If security is real property, guaranty up to 90 percent of loan balance or 90 percent of appraised fair market value, whichever is less. - If security is personal property, guaranty up to 75 percent of loan balance or 75 percent of fair market value, whichever is less. Limited working-capital guarantees available for high-tech companies. Amounts: vary. For rural development and value-added agricultural projects, the maximum guaranty is \$300,000. The guaranty may be larger for high-growth/high-tech companies and manufacturing projects.	Ongoing
Indiana	The TECH Fund	Indiana Department of Commerce, Business Development Division	Grant	Training activities eligible for reimbursement must result in a full-time employee receiving a portable certification in systems administration, systems engineering, or software development; a professional certification; or other certification in advanced e-business enabling applications.	Indiana companies or nonprofit corporations that employ Indiana residents (U.S. citizens only) in advanced information-technology occupations. Non-resident, contractual or part-time employees are not eligible. Companies must have been in operation for at least one year prior to the application date and be in good standing with the State of Indiana.	Funds are available on a reimbursement basis. The business must submit quarterly reports on the status of the employees' training. Amounts: Up to 50 percent of eligible training costs. Awards for training have a maximum of \$50,000. 30 or fewer employees - up to 50 percent of eligible training costs; 30 to 100 - up to 40 percent of eligible training costs; 100-200 - up to 30 percent of eligible training costs; 200 and up - up to 10 percent of eligible training costs.	Ongoing
Indiana		DeKalb County	Tax Credits/ Bonds	The purpose of this program was to assist in the start-up of a new \$370 million minimill in Butler, Indiana. This subsidy took the form of tax credits, tax abatement, bonds, and county economic development income tax revenues	Steel Dynamics	DeKalb County tax incentives of \$77.84 million; DeKalb County bonds of \$11.1 million; DeKalb County bonds to be repaid by property taxes of \$5.6 million; DeKalb County grant from economic development income tax revenue of	10 years.

				applied toward project (November 1995). On going tax incentives programs previously notified.		\$12.5 million. The total is \$107.4 million.	
Indiana		Spencer County	Tax Abatement	The purpose of this program was to aid in the construction of a new \$285 million structural mill in Whitley County. Spencer County tax abatements.	Steel Dynamics	Up to \$59 million in tax abatements.	10 years.
Iowa	Enterprise Zones	Department of Economic Development	Mixed Tax	Twenty eight counties and 18 cities may establish enterprise zones for manufacturers and other businesses expanding or establishing new operations. The enterprise zones provide the following benefits for qualifying businesses: 1) Property tax exemptions for up to 10 years. 2) Investment Tax Credit for up to 10 percent on corporate income taxes. 3) Refunds of sales or use taxes paid to contractors during construction. 4) A 13 percent research and development activities credits on corporate income taxes. 5) Additional withholding tax credit of 1.5 percent (total 3 percent for the business' job training program).	Businesses located in economically distressed areas of Iowa. To receive the benefits, businesses must invest at least \$500,000, hire at least 10 persons at target wage and benefit levels, and not be retail establishments.		Ongoing
Iowa	Entrepreneurial Ventures Assistance Program (EVA)	Department of Economic Development	Loan	The Entrepreneurial Ventures Assistance Program (EVA) provides up to \$20,000 in financial assistance funds and up to \$5,000 in technical assistance funds for a business in a sector of the Iowa economy with the greatest start-up and growth potential for Iowa.	Biotechnology; recyclable materials; software development and computer related products; advanced materials; advanced manufacturing; medical and surgical instruments.	Up to \$50,000 may be awarded to a single applicant in the form of financial assistance. Repayment of the funds may be in the form of a royalty investment or low interest loan, which is determined upon approval. Up to \$10,000 may be awarded to a single applicant in the form of technical assistance. Technical assistance funds will be	Ongoing

						considered a grant and do not require repayment.	
Iowa		State of Iowa	Tax incentives.	The incentives were provided by the State of Iowa to Ipsco for the construction of a new plate mill, which cost \$360 million.	Ipsco	Fixed amount of \$73 million. Of this amount, \$3 million was in the form of a state grant and \$70 million is in the form of tax incentives.	20 years.
Kansas	Enterprise Zone	Department of Commerce & Housing	Mixed Tax	The Enterprise Zone Act as amended in 1992 establishes a non-metropolitan regional business incentive program and provides for business expansion and development incentives on a state-wide basis. The type and amount of the incentive available is dependent on 1) the location of the business; 2) the type of business, i.e. retail, manufacturing, or non-manufacturing; and 3) the number of net new jobs created through a qualified building, expansion, or renovation project. Under the amended law, various credits and exemptions are available to businesses throughout the state.	There can be a maximum of 99 "non-metropolitan regions" or zones designated under the current legislation. Six counties are labeled by statute as "metropolitan counties" and are ineligible for the enhanced incentives indicated below.	The incentives are: (1) Sales tax exemption on the purchase of machinery, equipment, or services associated with any construction, expansion, or renovation project that creates net new jobs. (2) Job creation tax credit (\$1,500 basic, \$2,500 enhanced) against State income tax liability for each net new job created. (3) Investment tax credit (\$1,000) against State income tax liability for each \$100,000 or major portion thereof. This is a one-time credit with unlimited carry-forward provisions. The maximum credit in any given year is 100 percent of the tax liability in qualified business facility investment.	Ongoing
Kansas	Sales Tax Exemptions	Department of Commerce & Housing	Tax Exemption	Electricity, gas, and water consumed during manufacturing is exempt from the Kansas sales tax. Sales tax paid on the purchase of machinery, equipment and certain other tangible property may be exempted if the applicant's business qualifies for Job and Investment Tax Credits and is located within a state designated Enterprise Zone. Companies that qualify for the High Performance Business Incentive Program are	Statewide		Ongoing

				eligible to receive this exemption without being tied to the job creation requirement. This exemption extends to manufacturing machinery and equipment as well as to any quality control and pollution control equipment installed. All sales of manufacturing machinery and equipment are exempt from sales taxes. This exemption extends to machinery and equipment purchased primarily for use in the assembly, processing, finishing, storing, warehousing, or distribution of tangible personal property intended for resale.			
Kentucky	Coal Income Tax Credit	Kentucky Revenue Cabinet	Tax Credit	A credit is allowed for up to 4.5 percent of the purchase price of Kentucky coal (excluding transportation costs) used for industrial heating or processing.	For purposes of the Coal Income Tax Credit, "qualifying coal" is coal that is subject to the Coal Severance tax, which is levied on every taxpayer in Kentucky engaged in processing coal.	The credit is allowed for 10 years following either the installation or conversion to coal burning units. The credit in any year cannot exceed the corporation's tax liability, minus other credits. Unused credits cannot be carried forward.	Ongoing
Kentucky	Enterprise Zone	Kentucky Economic Development Cabinet, Department of Financial Incentives	Tax Credit	State and local tax incentives are offered to businesses located or locating in zones, and some regulations are eased to make development in the area more attractive. A zone remains in effect for 20 years after the date of designation.	To qualify, businesses must meet the following criteria, 50 percent of their employees must perform substantially all of their services within the enterprise zone- and to apply as a new business (companies which began operations in the enterprise zone after the date the zone was designated), 25 percent of the company's total full-time workforce must meet the targeted criteria as long as the business is enterprise zone certified. To apply as an existing business (companies which were in operation in the enterprise zone prior to the designation of the zone) the company has the option of (a) 20 percent increase in capital investment, or (b) 20 percent increase in total workforce 25 percent of these new employees must meet the targeted workforce criteria. Targeted workforce criteria are Kentucky residents who (a) reside within the enterprise zone, or (b) were unemployed 90 days prior to being hired by the enterprise zone business, or (c) were receiving public assistance benefits for at least 90 days prior to em		Ongoing

Kentucky	High-tech construction & high-tech investment pools	Kentucky Cabinet for Economic Development	Loan	The Office of the Commissioner for the New Economy, in the Cabinet for Economic Development, shall administer two (2) pools of funds: 1.The high-tech construction pool shall be used for projects with special emphasis on the creation of high-tech jobs and knowledge-based companies. The commissioner shall recommend funding of companies to KEDFA for approval; and 2.The high-tech investment pool shall be used to build and promote networks to technology-driven industries and research-intensive industries with the goal of creating clusters of innovation-driven industries in Kentucky. The commissioner shall recommend funding of companies to KEDFA for approval.	Technology-driven, research-intensive, and knowledge-based companies, clusters, or networks.	Ongoing
Kentucky	Kentucky Equal Opportunity Zone	Kentucky Cabinet for Economic Development	Tax Credit	A qualified zone consists of one (1) to five (5) contiguous census tracts located entirely within a county, urban county government, or city of the first class. KREDA-certified counties are exempt from census tract criteria and may have the entire county certified as a zone. Only one (1) qualified zone is allowed per county. Eligible companies include new or expanded manufacturing, service, or technology industries, which must invest at least \$100,000 in the project and create at least ten (10) new full-time jobs for residents of the zone. An approved company may receive up to one hundred (100) percent credit against Kentucky income	The Kentucky Economic Opportunity Zone Act (KEOZ) focuses on development of areas with high unemployment and poverty levels.	Ongoing

				tax liability on taxable income generated by the project (s). The company may carry forward credits during the agreement term, which shall be ten (10) years.			
Kentucky	Kentucky Industrial Development Act (KIDA)	Kentucky Economic Development Cabinet, Department of Financial Incentives	Tax Credit	Investments in new and expanding manufacturing projects may qualify for tax credits. Companies that create at least 15 new full-time jobs and invest at least \$100,000 in projects approved under KIDA may receive state income tax credits for up to 100 percent of annual debt service costs (principal and interest) for up to 10 years on land, buildings, site development, building fixtures and equipment used in a project, or the company may collect a job assessment fee of 3 percent of the gross wages of each employee whose job is created by the approved project and who is subject to Kentucky income taxes.	All new and expanding manufacturing projects are eligible for KIDA.	Financing may be provided by any source, typically banks or industrial revenue bonds, except debt service paid in connection with other state grant programs. Unused credits may be carried forward for the term of the agreement.	Ongoing
Kentucky	Kentucky Rural Economic Development Act (KREDA)	Kentucky Economic Development Cabinet, Department of Financial Incentives	Tax Credit	Companies with projects approved under KREDA receive state income tax credits and job assessment fees.	Projects must create new jobs in counties with unemployment rates above the state average in each of the preceding 5 years. Manufacturing industries are the primary target of this program.	Companies with projects approved under KREDA may potentially receive state income tax credits and job assessment fees for up to 100 percent of annual debt service costs for up to 15 years on land, buildings, site development, building fixtures and equipment used in a project. Total benefits can approach one year's gross wages per job. The company may collect a job assessment fee of 4 percent of the gross wages of each employee whose job is created by the approved project	Ongoing

						and who is subject to Kentucky income taxes. The employee receives credits for the fee against state income taxes.	
Kentucky	Local Government Economic Development Fund	Kentucky Cabinet for Economic Development	Grant	The program is funded through an allocation of coal severance tax receipts. Grants are provided to eligible coal producing counties to assist in diversifying local economies beyond a dependence on coal. The Regional Business Park Program is funded under the LGEDF program and designed to develop large blocks of available, accessible, and marketable land as regional business parks. The participating counties share in the tax revenues, and all other proceeds generated from the project, through interlocal agreements between the participating counties and the formation of regional authorities. These legally established authorities own, maintain, and market the available acreage with guidance from the Cabinet for Economic Development. Workforce training costs under the Job Training Fund are available to companies locating in a coal county or one of the Regional Business Parks that hire residents from participating counties. The company must meet eligibility criteria under the LGEDF Program and one of the KEDFA	Coal producing counties.		Ongoing

Louisiana	Biomedical Research and Development Park (NORMC) Incentives	Department of Economic Development	Mixed Tax	<p>Qualified medical concerns may be granted exemptions for state corporation income and franchise taxes. The total amount of state tax rebates and/or exemptions granted for any fiscal year shall not exceed thirty (30) percent of the corporate income, franchise and state sales/use tax liability of the medical concern during the fiscal year preceding the fiscal year for which the exemptions are granted, unless another amount is established by contract.</p> <p>Qualified medical concerns may also be granted tax credits against state corporate income and franchise tax liabilities. Such credits, which may be carried forward up to five years, shall not exceed the cost of purchase by the concern of machinery and scientific equipment used on premises of a medical concern located in the park district, which is the area known as the New Orleans Regional Medical Center (NORMC).</p>	New Orleans Regional Medical Center	<p>Annual tax exemptions, rebates and/or credits are subject to the following limitations: The total amount of state tax exemptions and/or rebates granted for any fiscal year shall not exceed thirty percent of the corporate income, franchise, and state sales/use tax liability of the medical concern during the fiscal year preceding the fiscal year for which the exemptions and/or rebates are granted, unless another amount is established by contract. The total amount of rebates of local sales/use taxes granted for any fiscal year shall not exceed one hundred percent of the local sales/use taxes liability due to that authority from the medical concern during the fiscal year preceding the fiscal year for which the rebates are granted, unless another amount is established by contract.</p>	Ongoing
Louisiana	Biotechnology Tax Credit	Louisiana Department of Economic Development	Tax Credit	Excludes biotechnology companies from paying state or local sales and use taxes on capital expenditures for new research equipment.	Biotechnology Companies		Ongoing
Louisiana	Customized Computer Software Development Tax Credit	Louisiana Department of Economic Development	Tax Credit	Phases in a state sales and use tax exclusion for certain custom computer software over a four-year period.	Technology Companies	The current 4 percent sales tax rate will decrease 1 percent per year until it reaches 0 percent on 7-1-2005.	Ongoing

Louisiana	Economic Development Award Program	Department of Economic Development	Grant	Grant awards to public or quasi-public state entities and local governments to finance publicly-owned infrastructure for industrial or business development projects.	Preference will be given to projects located in areas of the state with high unemployment levels and to projects intended to expand, improve or provide basic infrastructure supporting mixed use by the company and the surrounding community. No assistance may be provided for Louisiana companies relocating their operations to another labor market area (as defined by the U.S. Census Bureau) within Louisiana, except when company gives sufficient evidence that it is otherwise likely to relocate out of Louisiana.	The minimum award request size shall be \$25,000. Projects must create or retain at least 10 permanent jobs in Louisiana. The portion of the total project cost financed by the award may not exceed 90 percent for projects located in parishes with per capita income below the median for all parishes; 75 percent for projects in parishes with unemployment rates above the statewide average; or 50 percent for all other projects.	Ongoing
Louisiana	Enterprise Zone Program	Department of Economic Development	Tax Credit	The program provides one-time tax credit of \$2,500 for each net new permanent job created for businesses that locate or expand in designated enterprise zones. Credits may be applied against a company's Louisiana state income or corporation franchise tax liability. A new 2002 addition to the program: The Enterprise Zone program offers double the usual \$2,500 tax credits to automotive and airplane manufacturers, giving them \$5,000 per job. The Enterprise Zone program also provides rebates on applicable state and local sales/use taxes (except where local sales taxes are encumbered toward payment of bond indebtedness or are school taxes), on purchases of building construction materials, machinery, and equipment by businesses that build or renovate facilities in Louisiana Enterprise Zones.	There are 1,670 enterprise zones statewide, in both urban and rural parishes. Job credits are \$5,000 for SIC Code Numbers 3721, 3724, 3728, 3761, 3764, and 3769.	Sales tax benefits (rebates) are only in effect for the duration of the initial construction period (2 year maximum).	Ongoing

Louisiana	Film & Video Investor Tax Credit	Louisiana Department of Economic Development	Tax Credit	To attract business to Louisiana.	Film/Video Industry	Lowers from \$1 million to \$250,000 the amount a movie or TV company must spend to qualify for an exemption from the state sales tax.	Ongoing
Louisiana	Film & Video Jobs Tax Credit	Louisiana Department of Economic Development	Tax Credit	To attract business to Louisiana.	Film/Video Industry	Gives film producers with a \$300,000 LA payroll a 10 percent tax credit on that payroll. If the payroll is \$1 million or more, the credit is 20 percent.	Ongoing
Louisiana	Film & Video Sales & Use Tax Exemption	Louisiana Department of Economic Development	Tax Exemption	To attract business to Louisiana.	Film/Video Industry	Allows LA residents who invest \$300,000 in a movie or TV production a 10 percent tax credit on that investment. The credit is 15 percent if the investment is \$1 million or more.	Ongoing
Louisiana	Film and Video Sales/Use Tax Refund Program	Department of Economic Development	Tax Refund	This program rebates all of Louisiana state sales/use taxes paid out by motion picture production companies that film in the state and pay sales/use taxes on a minimum of \$1 million of annual purchases in the state.	Film/Video Industry		Ongoing
Louisiana	Film and Video Sales/Use Tax Refund Program	Department of Economic Development	Tax Refund	To attract business to Louisiana.	Film/Video Industry	Rebates all of Louisiana state sales/use taxes paid out by motion picture production companies that film in the state and pay sales/use taxes on a minimum of \$1 million of annual purchases in the state.	Ongoing
Louisiana	Restoration Tax Abatement	Department of Economic Development	Tax Abatement /Reduction	The Restoration Tax Abatement Program was created for municipalities and local governments to offer as an incentive to encourage the expansion, restoration, improvement and development of existing commercial structures and owner-occupied residences in Downtown Development Districts, Economic Development Districts, or Historic Districts.	Buildings must be located in a Downtown Development District, an Historic District, an Economic Development District or be listed on the National Register for Historic Places.	Property taxes may be abated on the amount of improvements to existing structures, for a five year period and may be renewed for an additional five years.	Ongoing

Louisiana	University Research and Development Parks Income and Franchise Tax Exemptions and Credits	Department of Economic Development	Mixed Tax	Firms located in university research and development parks may be granted exemptions for state corporation income and franchise taxes. The total amount of state tax rebates and/or exemptions granted for any fiscal year shall not exceed thirty (30) percent of the corporate income, franchise and state sales/use tax liability of the firm during the fiscal year preceding the fiscal year for which the exemptions are granted, unless another amount is established by contract. Firms located in university research and development parks may be granted tax credits against state corporate income and franchise tax liabilities. Such credits, which may be carried forward up to five years, shall not exceed the cost of purchase by the concern of machinery and scientific equipment used on the firm's premises.	University research and development parks.		Ongoing
Louisiana	University Research and Development Parks Sales and Use Tax Rebates	Department of Economic Development	Tax Refund	Qualified firms located in University Research and Developments Parks may be granted rebates for state and/or local sales/use taxes on machinery and equipment to be used by the applicant, on materials and building supplies to be used in the repair, reconstruction, modification, or construction of facilities and on materials and supplies necessary for or used in the production of the applicant's product. Additionally, sales/use tax rebates may be granted on any other goods and services used or	University research and development parks.	Annual tax exemptions, rebates and/or credits are subject to the following limitations: The total amount of state tax exemptions and/or rebates granted for any fiscal year shall not exceed thirty percent of the corporate income, franchise, and state sales/use tax liability of the medical concern during the fiscal year preceding the fiscal year for which the exemptions and/or rebates are granted, unless another amount is established by contract. The total amount of rebates of local sales/use taxes granted for any fiscal year shall not exceed one hundred percent of the local sales/use taxes	Ongoing

				consumed by the applicant.		liability due to that authority from the medical concern during the fiscal year preceding the fiscal year for which the rebates are granted, unless another amount is established by contract.	
Louisiana	Workforce Development and Training Program	Department of Economic Development	Grant	Funding for eligible training activities includes: (1) New Employee Training. This subprogram provides training assistance for companies seeking prospective employees who possess sufficient skills to perform the jobs to be created by the companies. (2) Workplace-Based Retraining. This subprogram provides training assistance for companies seeking to upgrade the skills of existing employees in response to technological advances or improved production processes, or the need to ensure compliance with accepted international and industrial quality standards (e.g. ISO standards, proprietary technology).	Preference will be given to applicants in industries identified by the state as target industries, and to applicants located in areas of the state with high unemployment levels.	The New Employee Training award may cover up to 100 percent of the eligible training costs, not to exceed \$500,000. The Workplace-based Retraining award may cover up to 50 percent of the eligible training costs, not to exceed \$500,000. Funds are available on a reimbursement basis following submission of approved invoices to DED.	Ongoing
Maine	Jobs and Investment Tax Credit	Maine Revenue Services	Tax Credit	This program provides a 10 percent credit against Maine income taxes for investment in most types of personal property that generates at least 100 new jobs within two years of the date the investment is placed in service, as long as the investment is at least \$5 million for the taxable year.	Statewide. This tax credit is available to any business (other than regulated utilities) making a personal property investment of at least \$5 million and creating at least 100 qualifying jobs, regardless of industry sector, location, market, raw materials source or product content.	The amount of the credit is tied to the federal investment tax credit and is limited to \$500,000 per year with carry forwards available for seven years. Thus, the credit can be up to \$3.5 million, based upon taxable income. Businesses are prohibited from receiving the Maine Jobs and Investment Tax Credit and Employment Tax Increment Financing concurrently.	Ongoing

Maine	Tax Increment Financing (TIF) District	Department of Economic and Community Development	Loan	A Tax Increment Financing (TIF) District is an area within a municipality that is designated as a development district to allow the municipality to financially support a business development program using the revenue stream of new property taxes that will result from improvements made to the property. When forming a TIF district, a community may either fund a portion of the necessary improvements or return a percentage of the incremental tax revenue to the company to help offset project costs.	The maximum term for a TIF district is 30 years, except in instances where the municipality issues bonds to finance a project, in which case the maximum term is 20 years.		Ongoing
Maryland	Challenge Investment Program	Maryland Department of Business and Economic Development	Equity	The Challenge Investment Program is authorized by Article 83A, sections 2-102 through 2-105, and codified at COMAR 24.05.17.01-02.	Technology Companies	This program provides early-stage technology companies with capital investments of up to \$50,000 with each \$50,000 investment requiring a 1:1, \$50,000 co-investor match. The State seeks a return of up to \$300,000 over a ten-year period, based on royalties of up to \$150,000 on sales and on capital formation above certain threshold levels. The State's investment, which may also include milestone investments of up to an additional \$50,000, is convertible to equity under certain terms and conditions. Liability of the State is limited to the initial investment. The program requires a 1:1 match of the each contingent royalty investment. This match is normally made by a third party investor, and the State's commitment helps to facilitate such investment. Liability to the State is limited to the full amount of the States investment.	Ongoing

Maryland	Empowerment Zone Incentives	Empower Baltimore Management Corporation	Mixed Tax	A federally designated Empowerment Zone in Baltimore encompasses 6.8 square miles in three distinct areas of the City, two of which include sites zoned for heavy industrial use. The Empowerment Zone is also a state enterprise zone. Empowerment zone incentives include: Federal income tax credits, Increased depreciation on equipment, Tax exempt bond financing and Job training resources.	All companies located within the Empowerment Zone.		Ongoing
Maryland	Enterprise Investment Fund	Maryland Department of Business and Economic Development	Equity	This program makes direct equity investments in emerging technology companies with patented or proprietary products or manufacturing processes and a marketing strategy in place. The Enterprise Investment Fund works with emerging companies to move them into their next stage of development as a viable business.	Applicants must be in a technology industry. Areas of technology include biotechnology, telecommunications, information technology, life sciences and advanced materials.	The amount of investment ranges from \$150,000 to \$500,000. Enterprise investments are generally in the form of equity, but it may be another type, e.g. debt issues, as initiated by the lead investor.	Ongoing
Maryland	Enterprise Zone Tax Credits	Maryland Department of Business and Economic Development	Tax Credit	Maryland was a pioneer in the development of enterprise zones. It was the third state to enact its own enterprise zone program, and one of the first states to designate zones. Enterprise zones in the state offer an attractive locational alternative for industrial and commercial businesses. Areas within enterprise zones that meet more stringent standards of eligibility may be declared focus areas.	All businesses located in a Maryland enterprise zone.	Real property tax credits; Income tax credits; Enhanced Job Creation Tax Credits; Priority access to Maryland's financing programs Enhanced Focus Area Benefits; Real property tax credits; Personal property tax credits; Income tax credits; In addition to 34 state-designated zones, Maryland has three Federal Empowerment Zone areas that have enterprise zone status. These zones represent different mixes of industrial and commercial activity that will meet the circumstances and preferences of new or expanding businesses.	Ongoing

Maryland	Job Creation Tax Credit	Maryland Department of Business and Economic Development	Tax Credit	The Job Creation Tax Credit remains in effect until January 1, 2007, subject to extension by the General Assembly.	Business services firms may also qualify in priority funding areas, which the state defines as: state enterprise zones, federal empowerment zone, state Department of Housing and Community Development (DHCD) designated neighborhoods, incorporated municipalities, areas inside the I-495 and I-695 beltways, or a single growth area designated by each county for the purpose of this credit. It also grants the credit for operation of entertainment, recreation, cultural or tourism related activities in a multi-use facility located within a revitalization area if the facility generates a minimum of 1,000 new full-time equivalent filled positions in a 2-year period.	Credit granted will be the lesser of \$1,000 or 2-1/2 percent of a year's wages for each new, full-time job calculated on an aggregate basis. If the new or expanded facility is located in a state enterprise zone, a federal empowerment zone or a DHCD designated neighborhood, then the credit is increased to the lesser of \$1,500 or 5 percent of a year's wages for each new, full-time job. The maximum credit allowed during any credit year for a single facility is \$1 million. If during 3 years succeeding the credit years, the average number of qualified positions falls below the applicable threshold number, all credits shall be recaptured. If the number of qualified positions falls more than 5 percent, but not below the applicable threshold number, then the credit is recaptured in proportion to the decline in certified employees. Unused credits may be carried forward for up to five tax years following the year in which the credit could first be used to reduce tax liability. The credit may not be used to reduce tax	Ongoing
Maryland	Maryland Economic Adjustment Fund (MEAF)	Department of Business and Economic Development	Loan	The program is codified in Article 83A Subsections 6-501 through 6-512. MEAF was established as a non-lapsing revolving fund to make loans to new or existing companies in communities suffering dislocation due to defense adjustments to enable the companies to modernize their manufacturing operations, develop commercial applications for technology, or enter into and compete in new economic	The fund may make grants to local or regional Maryland government or non-profit economic development revolving loan funds and make loans to eligible companies in the State. In making loans under this sub-title, priority will be given to defense contractors and companies started by former defense workers who lost their jobs with defense contractors.		Ongoing

				markets			
Maryland	Maryland Economic Development Authority and Assistance Fund (MEDAAF)	Department of Business and Economic Development	Mixed Financ-ing	Article 83-A, subsection 5-1401 through 5-1411 of the Annotated Code of Maryland. In accordance with the Joint Chairman's Report of 1999, a study panel reviewed the existing DBED financing funds. The review identified programs that were duplicative, inefficient and deficient. As a result of the joint efforts of the Department's staff and panel members, legislation was developed that consolidated 20 business and economic development funds into 10 programs. MEDAAF is a survivor program that incorporated the capabilities of several different former programs and now possesses much of the Department's direct lending capabilities. MEDAAF accomplishes several purposes by providing below-market incentives to specific growth industry sector businesses (or to jurisdictions on behalf of these entities), which are locating or expanding in a Priority Funding Area. The program provides incentives to five specific major capabilities:1.Significant Strategic Economic Development Opportunities 2.Local Economic Devel	Machinery & equipment, land, infrastructure.	Loans, Conditional Loans, Conditional Grants, Grants, and Investments (only in conjunction with a loan or grant). The program provides financing for fixed asset acquisition, machinery & equipment, land, infrastructure and it also may provide working capital within specific guidelines.	Ongoing

Maryland	One Maryland Economic Development Tax Credits	Department of Business and Economic Development	Tax Credit		The business project must be located in Baltimore City or Allegany, Caroline, Dorchester, Garrett, Somerset or Worcester County. The business entity must be primarily engaged at the facility in one or more eligible industries: manufacturing, agriculture, testing, computer programming, mining, fishing, research, computer-related services, transportation, forestry, development, data processing, central insurance services, biotechnology, communications, company headquarters, central financial services, business services, public utility, central administrative offices, central real estate services, warehousing, filmmaking and resort/recreational business.	A qualified business entity may claim both a start-up tax credit and a project tax credit. Tax credits may be claimed against State income, insurance premium, or financial institution franchise tax. Project tax credits of up to \$5,000,000 are based on qualifying costs and expenses incurred by the business entity in connection with the acquisition, construction, rehabilitation, installation, and equipping of an eligible economic development project. The business entity must incur at least \$500,000 in eligible project costs and must create at least 25 new qualified positions. Start-up tax credits of up to \$500,000 are based on a business' cost to furnish and equip a new location for ordinary business functions and to move to a qualified distressed county from outside Maryland. (50 qualified new positions are required to qualify for the full \$500,000 credit.)	Ongoing
Maryland	Smart Growth Economic Development Infrastructure	Department of Business and Economic Development	Loan/Grant	The Fund is codified in Article 83 A, Subsection 5-701 of the Annotated Code of Maryland. A fund to provide direct term loans, grants and equity investment to local jurisdiction qualifying as economically distressed (and to MEDCO as a conduit). Funds could be used for infrastructure development, real estate acquisition, construction, renovation, demolition etc.	Lending will be to eligible borrowers located in priority funding areas as defined by Smart Growth legislation. Loans and grants to local jurisdictions which are economically distressed. Eligible recipients include a local (county) government and MEDCO. A qualified distressed county is defined as a county, including Baltimore City, with an approved local strategic economic development plan. The jurisdiction must also have an unemployment rate, for the most recent 18 months, of at least 150 percent of the State's unemployment rate for the same period; and an average per capita	The program was created in 1999, but had a slow start. At the end of fiscal year 2001, over \$20 million was still in the fund. However, due to increased activity during the first half of fiscal year 2002, \$25.6 million was either disbursed or approved against \$25.9 million of available funds. The state legislature approved \$7.7 million for the fund for fiscal year 2003. No projects are currently under consideration.	The fund will expire in June 30, 2004, unless extended.

					personal income, for the most recent 24 months, at or below 67 percent of the State's per capita personal income for the same period. The site must be located in a Priority Funding Area.		
Maryland	The Enterprise Fund	DBED Division of Financing Programs	Equity	Article 83A, sections 4, 5-501 through 5-503. The Enterprise Fund was created by the General Assembly, House Bill 1586, to provide the State with the means to make equity investments in early stage technology-based companies with very good prospects of being successful. This capability requires a 1:1 match of the each contingent royalty investment. This match is normally made by a third party investor, and the State's commitment helps to facilitate such investment. Liability to the State is limited to the full amount of the States investment. Enterprise Equity investment programs, though risky, provide the State with a mechanism to foster the growth of development technologies. The emerging technology-driven firms at this stage of development have substantial growth potential, and will create a highly-skilled work force. The potential benefit to the State and counties in which these	Technology Companies	This capability requires a 1:1 match of the each contingent royalty investment. This match is normally made by a third party investor, and the State's commitment helps to facilitate such investment. Liability to the State is limited to the full amount of the States investment. The Enterprise Department makes an equity investment through the direct purchase of equity, (i.e. purchasing stock in company). By Statute, DBED's investments are limited to 25 percent of total equity, and may not be held for more than 15 years. By policy, a minimum 3:1 sophisticated co-investor match is required. Return on investment is provided through capital gains. Liability to the State is limited to the full amount of the investment. Effective October 1, 1997, the maximum investment limit was raised from \$250,000 to \$500,000.	Ongoing

				businesses reside is very significant.			
Maryland		Dept. of Business and Economic Development/ Baltimore County	Grants	The purpose of this program was to support a new \$300 million cold rolling mill.	Bethlehem Steel	The amount of the subsidy was funded as follows: Economic Development Opportunity Program Grant of \$5.5 million; Department of Business and Economic Development/Baltimore County funded a \$300,000 workforce training grant; Baltimore County Revolving Loan Fund Grant of \$200,000. The total was \$6 million.	Ongoing
Massachusetts	Economic Development Incentive Program (EDIP)	Massachusetts Office of Business Development	Tax Credit	Designed to stimulate job creation in distressed areas, attract new businesses, encourage existing businesses to expand and increase the overall economic development awareness and readiness of the 185 participating cities and towns across the Commonwealth. Administered through the Office of Business Development, the EDIP represents the cooperative efforts of communities, businesses and the state. Through the EDIP, businesses and communities negotiate a local real estate tax incentive agreement. In turn, these businesses become eligible for the state's enhanced 5 percent Investment Tax Credit and, where applicable, the state's 10 percent Abandoned Building Tax Deduction. In addition, the	Designated Economic Target Areas.		Ongoing

				program also targets and prioritizes capital spending, including such programs as Public Works for Economic Development (PWED) monies and Community Development Action Grants, to communities within Economic Target Areas.			
Massachusetts	Investment Tax Credit	Massachusetts Office of Business Development	Tax Credit	Massachusetts gives businesses a 3 percent Investment Tax Credit against corporate excise tax for the construction of manufacturing facilities. The credit also applies to the purchase or lease of equipment.	Companies involved in manufacturing, research and development, agriculture or commercial fishing in designated Economic Target Areas.	Unused portions of the tax credit may be carried over to subsequent years. An enhanced 5 percent investment credit is available.	Ongoing
Massachusetts	Emerging Technology Fund	MassDevelopment	Loan	The Emerging Technology Fund provides loan guarantees to leverage private debt financing for specialized research and development or manufacturing facilities. Two types of projects are eligible for financing: 1) The fund can be used to leverage private financing for the construction of state of the art manufacturing, research and development facilities. 2) The fund can be used to provide matching grants to universities and private institutions for advanced research and development of new and emerging technologies in the Commonwealth.	Technology Companies	The maximum guarantee amount is \$1,500,000 or 50 percent participation of the aggregate debt, whichever is less. The maximum loan amount for facilities is \$2,500,000 or 33 1/3 percent participation of the aggregate debt, whichever is less. The maximum loan amount for equipment is \$500,000 or 33 1/3 percent participation of the aggregate debt, whichever is less.	Ongoing
Massachusetts	Seafood Loan Program	Mass Development	Loan	The Seafood Loan Program was created to enhance the competitiveness of Massachusetts \$1 billion seafood processing industry. The program provides direct loans for fixed asset	Seafood processing industry.	The maximum amount is \$200,000, with a 10-year term for real estate loans and a 7-year term for equipment loans. Loans may be amortized for a maximum of 20 years and have a fixed or floating interest rate at prime	Ongoing

				financing needs including the purchase of land, buildings, equipment and for the construction or renovation of facilities. Funds cannot be used for revolving working capital or for the purchase of vessels.		plus a premium.	
Massachusetts	Seafood Revolving Loan Fund	Mass Development	Loan/ Non-traditional financing	The Seafood Revolving Loan Fund provides financing in cooperation with private lenders, to fishing vessels and shore side facilities. To be eligible, a business must demonstrate that it has been adversely affected by the federal fishing regulations enacted to rebuild the depleted stocks of cod, haddock and flounder. The fund is capitalized through the a grant from the Economic Development Administration with matching funds provided by MassDevelopment.	Seafood industry.	The loan fund uses two types of financing. The first is a micro loan with a max of \$50,000 to assist businesses that are unable to secure traditional bank financing. The second loan provides gap financing of up to \$100,000. Loans have a fixed rate of 8 percent for the initial lending period. Under the terms of the grant, business must be located in Barnstable, Bristol, Nantucket, Norfolk, Plymouth or Suffolk counties. Start-up ventures are not eligible.	Ongoing
Massachusetts	Urban Initiative Fund	Community Development Finance Corporation	Loan	To help support minority owned businesses.	Minority owned businesses with less than \$500,000 in annual sales in targeted urban communities.	Loans up to \$200,000.	Ongoing
Massachusetts	Venture Capital Fund	Community Development Finance Corporation	Loans/ Equity Financing	To help create and support employment in low income communities.	Firms in low income communities which have a community development corporation, to enable them to expand or retain employment for local residents.	\$100,000 to \$300,000 per project, up to 1/3 of total financing.	Ongoing
Massachusetts	Emerging Technology Fund	Massachusetts Development Finance Agency (Mass Development)	Loan	The Emerging Technology Fund provides loan guarantees to leverage private debt financing for specialized research and development or manufacturing facilities. Two types of projects are eligible for financing: 1) The fund can be used to leverage private financing for the construction of state of the art manufacturing, research and	Technology Companies	The maximum guarantee amount is \$1,500,000 or 50 percent participation of the aggregate debt, whichever is less. The maximum loan amount for facilities is \$2,500,000 or 33 1/3 percent participation of the aggregate debt, whichever is less. The maximum loan amount for equipment is \$500,000 or 33 1/3 percent participation of the aggregate debt,	Ongoing

				development facilities. 2) The fund can be used to provide matching grants to universities and private institutions for advanced research and development of new and emerging technologies in the Commonwealth.		whichever is less.	
Michigan	Economic Development Job Training	Michigan Economic Development Corporation	Grant	This program is a major feature of the state's economic development incentive package. Under this program, the employer designs the customized training and works with private or public education providers. Employers are at the front end, designing their own customized employee training programs and working in partnership with schools, government agencies and other community resources.	Advanced Manufacturing, Information Technology, and Life Science/Bio Technology.	Michigan's Economic Development Job Training (EDJT) Program provides approximately \$30 million in competitive grants to companies that need to train or retrain workers to meet marketplace needs. Grants average \$500 per employee. The employer must match 25 percent of the state grant. Match can be in-kind.	Ongoing
Michigan	Job Creation Tax Credits	Michigan Economic Growth Authority	Tax Credit	In 1995 Michigan enacted the Michigan Economic Growth Authority (MEGA). Firms that are financially sound and have financially sound proposed plans might be eligible to receive a tax credit against the Michigan Single Business Tax (SBT). This credit is for the incremental SBT liability attributable to an expansion/new location project and/or the amount of personal income tax attributable to new jobs being created.	To promote high quality economic growth and job creation. Eligible Companies engaged in manufacturing, research and development, wholesale and trade, or office operations.	Each credit may be awarded for up to 20 years and 100 percent of the incremental SBT liability and/or personal income tax attributable to the project. Beginning March, 2000, the application fee was increased to \$5,000 for companies applying for MEGA tax credits. This fee is collected at the time the company submits its final application for a credit. In addition, a one-time only administrative fee of 1/2 of one percent of the estimated value of the incentive will be collected. This fee is payable at the time the company is certifying its eligibility to receive awards and is limited to no more than \$100,000.	Ongoing

Michigan	Life Science Corridor	Michigan Economic Development Corporation	Grant	Forty percent of the fund (Category I) is allocated for basic research, to be distributed on a competitive basis to Michigan universities or Michigan non-profit research institutes for basic research in health-related areas with not less than \$5 million allocated to research related to aging diseases and health problems. Fifty percent of the fund (Category II) is allocated for collaborative applied research, specifically, peer reviewed collaborative awards among Michigan universities, Michigan companies, and/or private and non-profit research facilities, with emphasis on testing or developing emerging discoveries. Ten percent of the fund (Category III) is allocated to support commercialization opportunities for life science research in Michigan for Michigan for-profit and non-profit entities.	Statewide	Funding of new projects is limited to the amount appropriated each year. Funds projects up to three years.	Ongoing
Michigan	Michigan Smart Zones	Michigan Economic Development Corporation		To stimulate the growth of technology-based businesses and jobs by aiding in the creation of recognized clusters of new and emerging businesses, those primarily focused on commercializing ideas, patents, and other opportunities surrounding university or private research institute R&D efforts.	The SmartZone program has identified 11 locations throughout the State of Michigan with necessary resources to nurture technology business growth ranging from research and development with universities to entrepreneurial training. The Smart Zones are in: Ann Arbor/Ypsilanti (University of Michigan), Battle Creek (Western Michigan University), Detroit (Wayne State University), Grand Rapids (Grand Valley State University/Van Andel Institute), Houghton/Hancock (Michigan Technological University), Kalamazoo (Western Michigan	Each SmartZone has the ability to capture tax increments resulting from new development within the zone to support zone activities for a period of 15 years.	Ongoing

					University), Lansing/E. Lansing (Michigan State University), Mt. Pleasant (Central Michigan University), Muskegon (Grand Valley State University), Oakland County (Oakland University), and Pinnacle Aeropark.		
Michigan	Renaissance Zones	Michigan Economic Development Corporation	Tax Credit	Michigan's Tax-Free Renaissance Zones are 23 regions of the state designated as virtually tax free for any business or resident presently in or moving to a zone. The zones are designed to provide selected communities with a powerful market based incentive--no taxes--to spur new jobs and investment. Each Renaissance Zone can be comprised of up to ten smaller zones (sub zones), which are located throughout the community to give businesses more options on where to locate.	23 designated zones	By law, Renaissance Zones waive the following local and state taxes: Michigan Single Business Tax; Michigan Personal Income Tax; Michigan's 6 mil State Education Tax; Local Personal Property Tax; Local Real Property Tax; Local Income Tax; and Utility Users Tax. These taxes represent nearly all state and local taxation on a Michigan business.	Ongoing
Michigan	Technology Park Development Act		Tax Abatement (property tax)	To promote business within the technology parks.	New facilities locating in technology parks (e.g., research and development, high technology industrial activities, business activity related to development or improvement of existing products or creation of new products).	The abatement is equal to a 50 percent reduction in property taxes and may be granted for periods of 1 to 12 years.	Ongoing
Michigan	Urban Land Assembly Program	Michigan Economic Development Corporation	Loan	The Urban Land Assembly Program is a revolving fund directed toward revitalizing the economic base of cities experiencing distress and decline. Priority is given to proposed projects that have the greatest	Projects located in cities that have experienced a local unemployment rate more than 70 percent of the annual average state unemployment rate; a growth in local population that is less than 75 percent of the state's population growth rate; or a	Determined on a case-by-case basis.	Ongoing

				immediate economic impact. Cities that receive land acquisition loans under the program are required to repay loan funds.	change in local state equalized value that is less than 50 percent of the state's five-year average.		
Minnesota	Enterprise Zone Program	Department of Trade and Economic Development	Tax Credit	The Zone program provides business tax credits (income, property, sales) to qualifying businesses which create investment, development, job creation or retention in the Enterprise Zone. Tax credits are allocated by the State to Enterprise Zone cities. Businesses apply for tax credits through the city Enterprise Zone coordinator. Tax credits include: property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits.	The cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, Ortonville and Duluth.		Ongoing
Minnesota	Rural Challenge Grant Program	Department of Trade and Economic Development	Loan	The Office of Regional Initiatives has a partnership with each of the six Minnesota Initiative Funds to provide low-interest loans to new or expanding businesses in rural Minnesota.	Eligible applicants include businesses located, or intending to locate, in rural Minnesota. "Rural" is defined as the 80 counties of Minnesota other than the Twin Cities metropolitan area.	Maximum loan available is \$200,000 up to 50 percent of start-up or expansion costs. Most loans will be smaller due to the high demand for funds compared with the funds available. The interest rate is between 3 percent and 10 percent, and the terms will be consistent with other sources of project financing. Each Initiative Fund will determine the specific interest rate and collateral requirements. Each dollar of Challenge Grant funds must be matched by at least one dollar of non-public funds, usually owners' equity and/or private financing.	Ongoing

Minnesota	Urban Initiative Program	Department of Trade and Economic Development	Business Assistance	Urban Initiative Board enters into partnerships with local nonprofit organizations, who provide loans and technical assistance to start-up and expanding businesses.	Eligible applicants include minority businesses and others creating jobs for low income people in Minneapolis, St. Paul, Hopkins, Columbia Heights, Hilltop, South St. Paul, West St. Paul, St. Anthony, Mendota and Lauderdale.		Ongoing
Mississippi	Jobs Tax Credit	Mississippi Development Authority	Tax Credit	Provides a five-year tax credit to the company's state income tax bill for each new job created by a new or expanding business, effective for years two through six after the creation of the job.	Eligible businesses include manufacturers, processors, distributors, wholesalers, warehouses, research and development facilities, air transportation and maintenance facilities, final destination or resort hotels having a minimum of 150 rooms and movie industry studios.	The amount of credit depends on the development status of the county in which the business is located: (1) \$2,000 per new job for less developed counties, (2) \$ 1,000 per new job for moderately developed counties, and (3) \$500 per new job for developed counties. A minimum number of new jobs must be created to be eligible for this credit. In less developed counties, businesses must create at least 10 new jobs to be eligible for the credit; in moderately developed counties, 15 new jobs; and in developed counties, 20 new jobs. The county status will be re-assessed annually by the Mississippi State Tax Commission, according to each county's unemployment rate and per capita income averages over the prior three years. Limited to an amount not greater than 50 percent of the taxpayer's state income tax liability for the year in which the credits are taken. Any excess credit may be carried forward for five successive years.	Ongoing
Mississippi	Major Economic Impact Authority	Mississippi Development Authority	Bond	This program allows the State, through the issuance of general obligation bonds, to assist local communities in meeting the development requirements inherent in large capital projects, thereby generating an investment in the quality of life in such communities.	Eligible projects include industrial or commercial projects, research and development, warehousing, distribution, transportation, processing, mining establishments, U.S. Government projects, and tourism facilities.	Major Impact Authority projects can be new projects or expansions of existing facilities which have a minimum initial investment of \$300 million by the private sector or the U.S. Government.	Ongoing

Mississippi	Minority Surety Bond Guaranty Program	Mississippi Development Authority	Guarantee	This program was created to enable minority contractors, not meeting the surety industry's standard underwriting criteria, to obtain bid and performance bonds on contracts with state agencies and political subdivisions within Mississippi.	Statewide	Maximum bond guaranty is 75 percent of contract bond amount or \$112,500, whichever is less. A contractor may have more than one guaranteed bond as long as total ties do not exceed \$112,500.	Ongoing
Mississippi	Mississippi State Port Income Tax Credit	Mississippi Development Authority	Tax Credit	Provides an income tax credit to taxpayers who utilize the port facilities at state, county, and municipal ports in Mississippi. The taxpayer receives a credit in an amount equal to certain charges paid by the taxpayer on export cargo.	Ports	Allowable Credit: the following are charges which a taxpayer may claim as a credit; receiving into a port, handling to a vessel, wharfage. Amount of Credit: credit may not exceed 50 percent of the tax imposed upon the taxpayer for the taxable year reduced by the sum of all credits allowable to the taxpayer.; any unused portion of the credit may be carried forward for the succeeding five years; the maximum cumulative credit which may be claimed by the taxpayer is limited to \$1million dollars for the period January 1, 1994 through December 31, 1998.	Ongoing
Mississippi	Sales and Use Tax Exemption	Mississippi Development Authority	Tax Exemption	Manufacturers pay a 1.5 percent sales tax on machinery and parts used directly in manufacturing and port operations (purchase or rental) and industrial electricity, natural gas, and fuels. Manufacturers pay a 3.5 percent contractor's fee for all costs (exceeding \$10,000) included in a contractor's construction contract, including the costs of construction labor and the purchases of construction component materials made by the contractor on behalf of the manufacturer.	New or expanding manufactures located in less developed counties.	New or expanding manufacturers located in less developed counties pay no sales taxes for: (1) building construction materials, or (2) purchases of machinery or equipment associated with a location or expansion, if the building materials or equipment are purchased directly from a supplier (purchases of construction materials made through a contractor incur the 3.5 percent contractor's fee.) New or expanding manufacturers located in either moderately developed or developed counties pay a: (1) 3.5 percent sales tax for purchases of building construction materials and new machinery or equipment not used directly in the manufacturing process, and (2) 0.75 percent sales tax on	Ongoing

						purchases of all machinery and equipment that is used directly in the manufacturing process.	
Missouri	Community Bank Tax Credits	Department of Economic Development	Tax Credit	State tax credits will be provided to contributors or investors of a community bank. Contributions to a non-profit bank may also be eligible for a federal tax deduction. The community bank may, in addition to its other authority, use the contributed/invested funds to make unsecured or secured loans or equity investments in eligible projects. There is no restriction on the community bank to determine the term, rate, collateralization, type of ownership of their borrowers.	At least 80 percent of these tax credits will be approved for projects in targeted areas. A targeted area is any area designated by the community bank which includes two or more contiguous blocks (as designated by the U.S. Census) where the rate of poverty in the area exceeds 26.2 percent.	This program is intended for smaller projects that will average about \$30,000 to \$60,000. Although the legal maximum tax credits allowed for a single business/project by a community banks is \$300,000, the community bank should contact DED prior to investing in any one project that exceeds \$100,000. The maximum amount of tax credits provided to any one community bank or target area will be \$1 million in any fiscal year. The credits may be transferred, sold, or assigned (in increments no less than \$150), or used up to eleven (11) years from the issuance of the credits. From August 28, 1994 to August 27, 1995, \$1.5 million in tax credits are available. On August 28, 1995, an additional \$1.5 million was added, then on August 28, 1996, an additional \$2.0 million will be added.	Ongoing

Missouri	Enterprise Zones	Department of Economic Development	Tax Credit	<p>The Department of Economic Development may recommend the establishment of enterprise zones in economically depressed areas that are not likely to achieve development otherwise. The recommendations are made to the Joint Legislative Committee on Economic Development Policy and Planning, which may designate the area an enterprise zone. Enterprise zones offer many types of tax credits, exemptions, abatements and refunds to taxpayers who establish new or expanding, facilities in any designated enterprise zone.</p>	<p>The statute permits governing authorities to petition the Department of Economic Development to have the boundaries of an existing, enterprise zone expanded. The expansion may be approved if there have been no more than three expansions. Areas designated as federal empowerment zones or enterprise communities are automatically granted state enterprise zone status. In order to qualify for either the income exemption or the investment credit, the taxpayer must in addition to the above criteria, meet the "30 percent Test." To meet the test, at least 30 percent of the new employees at the new or expanded facility must be either residents of the enterprise zone, or have been unemployed for at least 90 days prior to being employed at the new or expanded facility, or eligible for AFDC or General Relief, or some combination thereof. The Department of Economic Development may waive or reduce this requirement for one year if there are 20 or fewer persons employed at the facility.</p>	<p>Tax benefits may include: \$400 for each new job created, and \$400 for each qualified employee who is a resident of the enterprise zone, and \$400 for each qualified employee who was either unemployed for at least 90 days prior to the time he/she was hired at the new or expanded facility or who was eligible for AFDC or General Relief at the time he/she was employed at the new or expanded facility, and up to \$400 for each qualified employee who is trained from the employer's own funds, and a possible exemption equal to one-half of the income attributed to the new or expanded portion of the facility, and a possible investment tax credit equal to 10 percent of the first \$10,000 of new investment, 5 percent on the next \$90,000 of new investment and 2 percent on all investment over \$100,000, and up to a \$75,000 refund for unused tax credits earned by a new facility, and a real property tax abatement of at least 50 percent for ten years if the facility is used for manufacturing, mining, wholesale distribution or ware</p>	Ongoing
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Missouri	Missouri "Build" Program	Department of Economic Development/ Missouri Development Finance Board	Tax Credit	<p>Missouri Business Use Incentives for Large-Scale Development (BUILD) provides a financial incentive for the location or expansion of larger business projects. The program provides Missouri state income tax credits to the business in the amount of debt service payments for industrial revenue bonds related to a portion of project costs.</p>	<p>The bonds may be used to finance public or private infrastructure used to support the project, or the new capital improvements of the business at the project location. Bond proceeds may not be used for working capital, inventory or other operating costs of the business or other entity.</p> <p>Eligible businesses are: (1) Manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce which will invest a minimum of \$15 million in capital improvements for a project and create at least 100 new jobs within three years.</p> <p>(2) Office projects (regional, national or international headquarters, telecommunications operations, computer operations, insurance companies or credit card billing and processing centers) are also eligible if the capital improvements exceed \$10 million and at least 500 new jobs are created within three years. Retail, health or professional services, intra-state relocations or replacement facilities are not eligible.</p>	<p>The bonds must be sold on the basis of the business' credit. The options are (a) the business purchases a bank letter of credit or bond insurance; (b) the business has an investment bond rating; (c) the business arranges for a private placement purchase of the bonds; or (d) the business purchases the bonds. The political subdivision benefiting from the project or other local entities must commit significant local incentives. Such incentives may include tax abatement, discounted utility fees or others.</p>	Ongoing
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Missouri	Real Property Tax Increment Allocation Redevelopment (TIF)	Department of Economic Development	Loan	Tax increment financing can be used in any city or county in the State of Missouri. It is helpful to small communities in order to finance the construction of necessary public improvements such as sewers and roads as an incentive for investment in areas to be redeveloped, rehabilitated or revitalized. To encourage such development, real property tax revenues and 50 percent of tax revenues are diverted into a special allocation fund which can be used to defray redevelopment costs. The tax revenues diverted to the fund are attributed to the increased valuation of improvements made to real property within the designated areas. Upon the implementation of TIF for a particular area, up to 100 percent of the increased amount of real property taxes and 50 percent of other taxes generated by new development in the area (primarily sales tax) are set aside in a Special Allocation Fund. These funds may be used by the municipality or a private developer for Redevelopment Project Costs.	An area, as defined by a municipality, that benefits from the improvements. There are no particular limitations on district boundaries, except that the area must be determined by the city or county to be blighted or a conservation area.	Beginning January 1, 1998, certain blighted areas of municipalities with approved plans and projects to receive appropriated amounts, from the newly created Missouri supplemental tax increment financing fund, of up to 50 percent of "new state revenues," defined as either 1) state sales taxes, except those which are constitutionally dictated, School District Trust Fund taxes, sales and use taxes on motor vehicles, trailers, boats and outboard motors, and future sales taxes earmarked by law, or 2) state income tax withholding. An aggregate annual appropriation of new state revenues for super redevelopment areas is limited to \$15 million. The duration of redevelopment projects shall not exceed 23 years.	Ongoing
Missouri	Wine and Grape Production Tax Credit Program	Department of Economic Development	Tax Credits	To attract business into the state of Missouri.	Vineyards and wine producers.	State income tax credit to an individual, partnership or corporation in an amount equal to 24 percent of the purchase price of all new equipment and materials used directly in the growing of grapes or the production of wine in Missouri.	Ongoing

Montana	Aerospace and Technology Infrastructure Development Program	Office of the Governor	Bond	The state would own the improvements funded and would lease the infrastructure to the local government tax increment financing district or the business being assisted. The lease amount would be set at a nominal fair value taking into consideration job creation and overall tax revenue generated by the project. The statute provides for the principal and interest payback of the bonds from increased state taxes generated by the projects funded.	Aerospace and Technology	The State of Montana may issue and sell up to \$20 million in general obligation bonds for aerospace transportation and technology infrastructure development projects.	Ongoing
Montana	Local Option Property Tax Exemptions	Department of Revenue	Tax Exemption	Exemption for Business Incubators (Local Option) If approved by the local governing body, a business incubator owned or leased and operated by a local economic development organization is eligible for an exemption from property taxes. (MCA 15-24-18) Industrial Parks (Local Option) If approved by the local governing body, an industrial park owned and operated by a local economic development organization or port authority is eligible for an exemption from property taxes. (MCA 15-24-19) Suspension, Cancellation of Delinquent Taxes (Local Option) If approved by the local governing body, delinquent property taxes on commercial property may be suspended to facilitate the purchase and continued operation of a business utilizing the commercial property. (MCA 15-24-17)	Statewide	There are numerous specialized tax incentives, which can be researched with the Department of Revenue on a case by case basis.	Ongoing
Montana	Property Tax Abatements	Department of Revenue	Tax Abatement	Expanding "Value-Added" Machinery and Equipment (State Determined, Local Option). If approved by the local governing bodies, an existing value added industry that expands to include	Expanding "Value-Added" Machinery and Equipment	Machinery used in canola seed oil processing is eligible for a taxable valuation rate of 2 percent in tax year 2001, 1 percent in tax year 2002, and 0.0 percent thereafter.	Ongoing

				value-added equipment is entitled to receive a decrease in the tax rate on value-added machinery and equipment. Canola Seed Oil Processing Equipment (State Determined).			
Nebraska	Community Improvement Financing	Department of Economic Development	Loan	Community Improvement Financing is Nebraska's version of Tax Increment Financing (TIF). This is a method of financing public improvements associated with a private development project in a blighted area by using the projected increase in the property tax revenue which will result from the private development.	This tax revenue increase is used to pay for the public improvements or is pledged to repay bonds issued by the local government or loans used to finance these improvements. Revenue bonds can be issued to finance all or part of a site's public pre-construction improvements. Public improvements include land purchase, clearance and sale, construction of streets, sidewalks, utilities, parks or other similar public spaces necessary in site preparation. CIF, in effect, can reduce developer capitalization to a level that makes investment feasible.		Ongoing
Nebraska	Employment and Investment Growth Act	Department of Revenue	Mixed Tax	The goal of Nebraska's Employment and Investment Growth Act (LB775) is the creation of jobs and business investment and expansion through the provisions of performance-based incentives to qualified businesses.	Businesses such as manufacturers, processors, research and development facilities, insurance and financial companies, telecommunications companies and administrative headquarters facilities of such firms, are eligible for the tax incentives by meeting minimum thresholds for employment and investment. Qualifying businesses are eligible for credits attained over a seven year period and accumulated credits may be used during a 15 year period. If required levels of investment and employment are not met within or maintained for a period of seven years, all or part of the incentives shall be disallowed or recaptured.	Three levels of incentives are available to qualifying businesses.	Ongoing

Nebraska	Enterprise Zone Act	Department of Economic Development	Tax Credit	The Enterprise Zone Act provides tax credits for qualifying businesses which, during any tax year, increase investment by at least \$75,000 and increase net employment by an average of two full-time positions. Credits may be used to reduce a portion of the taxpayer's income tax liability or to obtain a refund of sales and use taxes paid. Initial expansion must occur in one taxable year, but additional credits may be obtained for increasing employment by two or more full-time employees during the next five years. An additional investment of a required amount during this subsequent time is not required. In addition, a qualified business, under provisions of the Employment Expansion and Investment Incentive Act, may be allowed an enhanced credit against taxes imposed by the Nebraska Revenue Act of 1967 for locating and investing in an Enterprise Zone, while employing Zone residents.	Locations within Alda, Chadron/Crawford, Newman Grove/Meadow Grove, Omaha and Scotts Bluff County have been designated by the State of Nebraska as Enterprise Zones.	The amount of the credit, not to exceed \$75,000 per year, shall be: (1) \$4,500 for each new employee and \$3,000 per \$75,000 of investment provided at least 50 percent of the new employees are Zone residents; (2) \$4,500 for each new employee who is a Zone resident, \$1,500 for non-Zone residents, and \$ 1,000 per \$75,000 of investments; or (3) the normal provisions for tax credits provided by the Employment Expansion and Investment Incentive Act - \$1,500 per employee and \$ 1,000 per \$75,000 of investment. Credits not used in the first year may be carried over and used against liabilities incurred in the next five taxable years. Failure to maintain required levels of investment and employment for at least two years after creation of the credits will result in recapture of allowed benefits and loss of carryovers.	Ongoing
Nebraska	Ethanol Tax Credit	Department of Revenue	Tax Credits	Support of ethanol producers.	Tax credit available to ethanol producers.	\$0.20 per gallon.	Ongoing
Nebraska	Industrial Development Bonds/Local ly Issued	Nebraska Investment Finance Authority	Bond	Industrial Development Bonds (IDBs) may be issued by counties, incorporated cities, and villages to provide tax-exempt financing for private businesses. The local governing body may issues bonds for projects outside as well as within a political jurisdiction.	Except as specified with respect to blighted areas, eligibility for IDB financing is limited to manufacturing or industrial facilities. Selection criteria used by local governing bodies to screen eligible applicants may vary among localities.	The maximum issue period is 30 years, however, projects typically average 15 to 20 years in duration. The company using the facility is responsible for all taxes levied by state and local governments. The arrangements between the issuer and the company using the facility may be in the form of a lease. Loans and installment sales contracts are permissible only if the project is located in blighted area.	Ongoing

Nebraska	Invest Nebraska Act	Department of Revenue	Tax Credit	This law provides wage benefit tax credits to companies meeting certain minimum levels of investment, job creation, and wages for new employees.	The credits can be earned by businesses in the following industries: research and development; data processing, telecommunications, or insurance services; financial services; manufacturing; warehousing; and administrative and headquarters facilities.	For projects located in counties with populations of less than 100,000, the minimum thresholds to qualify for the tax credits are 25 new jobs, \$10 million in new investment, and pay for the new jobs that is at least equal to Nebraska's average annual wage. For projects located in counties with populations of more than 100,000, the minimum thresholds are 500 new jobs and \$50 in new investment, or 250 new jobs and \$100 million in new investment, and pay for the new jobs that is at least 110 percent of the state's average annual wage. If the average compensation for the new employment is under \$20,000 annually, no credit is available. If it is between \$20,000 and \$30,000, the credit is three percent; if it is between \$30,000 and \$40,000, it is four percent; and if it is over \$40,000, it is five percent.	Ongoing
Nebraska	Nebraska Redevelopment Act	Department of Economic Development	Loan	The program allows cities to declare land within ten miles of their city limits blighted, thus property taxes on the subsequently improved property can then be used to reimburse companies for land purchase and project development. This legislation authorizes Community Improvement Financing, also known as Tax Increment Financing, for real estate and equipment in a project that adds at least 500 new jobs and \$50 million of new investment.	The location would apply to designated blighted and substandard areas, if located within the following ranges: up to ten miles outside a metropolitan or primary class city; up to six miles outside a first class city; and up to three miles outside of cities of second class or a village or villages.	This type of financing allows new property taxes from the new investment to go back to the project to help finance rehabilitation, acquisition and redevelopment costs through bonds. Such financing would apply for 15 years. Existing property taxes continue to go for local general fund purposes.	Ongoing
Nebraska	Rural Incentives	Department of Economic Development	Tax Credit	This is a new program aimed at providing tax credits to qualifying businesses in rural areas of the state.	For businesses expanding in counties with populations of 25,000 or less.	The program provides tax credits to companies that generate at least 5 new jobs and \$250,000 of new investment in counties with populations of 25,000 or less. In order to qualify, the jobs created must pay at least \$8.25 per hour. The wage	Ongoing

						requirement will be indexed annually according to the average rural Nebraska weekly wage.	
Nebraska	Rural Economic Opportunities Act	Department of Economic Development	Tax Credit	This law provides incentives for employment and investment in the state's mid and small-sized counties.	The credits can be earned by businesses in the following industries: research and development; data processing, telecommunications, or insurance services; financial services; manufacturing; warehousing; and administrative and headquarters facilities.	Projects qualify by meeting and maintaining all three of the following criteria: 1) adding full-time equivalent employment equal to at least 0.5 percent of the county labor force in the county or counties in which the project is located, 2) paying higher than average wages (wages paid new employees must average at least 125 percent of the average annual wage in the county or state and be above a regional average wage), and 3) investing a minimum of \$100,000 for each required employee (\$100,000 x required minimum employment). In a few counties a business can earn the tax credits by adding no more than two new jobs and \$100,000 in investment. The credits available are five percent of the total paid for new employment each year for seven years and ten percent of new investment made until the end of the seven years.	Ongoing
Nevada	Revolving Loan Fund	Commission on Economic Development	Loan	The Nevada Revolving Loan Fund (NRLF) was created to assist for profit businesses in need of "gap" financing to complete their business projects. The Revolving Loan Fund derives its funds from the CDBG Program.	Low-to moderate income households in rural Nevada.	Up to \$100,000 is available for Nevada businesses to use to expand or start a business. The NRLF is a fixed, generally below prime rate lending program. Payback terms can be amortized up to 15 years. The rate and term are set according to the business' ability to repay from profits.	Ongoing

Nevada	NRS 374.322	Department of Taxation	Tax Exemption	Certain aircraft, aircraft engines and component parts used in transportation are exempted from gross receipts from the sale, storage or other consumption	Manufacturing/remanufacturing of aircraft engines	Current state sales tax rate (rates fluctuate by county)	Ongoing
New Hampshire	Guarantee Asset Program (GAP)	Business Finance Authority	Guarantee	GAP provides incentives to financial institutions of up to a 90 percent guarantee on loans considered to have more than conventional risk.	Capital intensive businesses.	Rates and terms negotiable with bank. Borrower must have 25 employees and provide collateral with market appraisal of 1.25 times original principal amount.	Ongoing
New Hampshire	Working Capital Asset Guarantee Program (WAG)	Business Finance Authority	Loan	WAG provides incentives to financial institutions to provide working capital up to \$2 million with up to 75 percent guaranteed on loans considered to have more than conventional risk.	Statewide	Interest rates and terms negotiable with bank.	Ongoing
New Hampshire	New Hampshire Capital Consortium	Business Development Corporation	Equity	Established in November 1994, the New Hampshire Capital Consortium (NHCC) is a venture capital partnership organized by the NHBDC for the purpose of funding early-stage, high-potential growth companies in New Hampshire. The NHCC is funded by the NHBDC, the State of New Hampshire, CFX Bank, Energy North, First NH Bank, Fleet Bank, the New Hampshire Charitable Foundation, Public Service of New Hampshire, and Shawmut Bank. It is part of the \$30 million Small Business Investment Company, which is managed by Zero Stage Capital Company, Inc., Cambridge, Massachusetts.	Rapidly expanding businesses with revenue potential of at least \$20 million.	The NHCC makes investments of between \$250,000 and \$2,000,000 in high-potential companies with five-year sales forecasts of \$20-\$50 million. Investment normally made in equity with appropriate risk-adjusted return.	Ongoing
New Jersey	Advanced Technology Centers	New Jersey Commission on Science and Technology (NJCST)	Grant	The Advanced Technology Center (ATC) program made targeted investments in R&D areas that were determined to be of importance to the major industry clusters in New Jersey. ATC are multidisciplinary facilities on the campuses of our research universities, and are engaged	Statewide		Ongoing

				in research and development activities around a specific technology area. Each ATC has an industrial advisory board and enjoys industry sponsorship. New Jersey's Advanced Technology Centers include: Center for Advanced Biotechnology & Medicine; Center for Advanced Information Processing; Center for Ceramics and Materials Engineering; Center for Photonic and Optoelectronic Materials; Hazardous Substance Management Research Center; Center for Advanced Food Technology; Biotechnology Center for Agriculture and the Environment; Fiber Optic Materials Research Program.			
New Jersey	Business Employment Incentive Program (BEIP)	New Jersey Economic Development Authority	Grant	Legislation directs the New Jersey Economic Development Authority (EDA) to make direct payments in the form of grants to expanding or relocating businesses that will create new jobs in New Jersey. Businesses must be economically viable, and demonstrate that the incentive grant is a material factor in their decision to locate or expand in New Jersey.	Statewide- Point of final purchase retail facilities are not eligible for incentive grants. In the base year, the company must create at least 75 new jobs in a non targeted municipality or at least 25 jobs in a targeted area. Qualifying businesses must maintain a project in New Jersey for at least 1.5 times the number of years of the grant.	The incentive grant, which may be for up to 10 years, will equal 10 percent to 80 percent of the total amount of state income taxes withheld by the business during the calendar year for the new employees hired. No grant monies will be disbursed until the Treasurer certifies that the amount of withholdings received from the business at least equals the grant amount. Businesses receiving relocation grants are not eligible unless approved by the State Treasurer. Grant assistance from this and other programs may not exceed 80 percent of a business' withholdings unless approved by the Treasurer.	Ongoing
New Jersey	Community Lending Program	New Jersey Economic Development Authority	Guarantee	Administered in cooperation with the Federal Home Loan Bank of New York and its New Jersey members. Loans are made by a participating bank or consortium of banks. EDA provides a 25 percent guarantee of the loan amount for the term of the loan.	Businesses that have been in operation at least two years and are located in neighborhoods where at least 50 percent of the residents are of low or moderate income or the requested financing will benefit such residents are eligible.	Loans range from \$100,000 to \$6 million. The maximum loan is \$6 million for fixed assets and \$4 million for working capital. EDA also may issue tax-exempt bonds for manufacturing companies or nonprofit organizations. The bonds will be backed by a letter of credit	Ongoing

						from a participating bank and then by the FHLB to guarantee payment. EDA will provide a 25 percent guarantee of the entire bond amount.	
New Jersey	Direct Loans	Casino Reinvestment Development Authority	Loan	Casino Reinvestment direct loans for fixed assets are available to businesses in targeted municipalities.	Urban areas in the state with an emphasis on Atlantic City.	Rates are negotiable, current rates as of 12/97 are six percent.	Ongoing
New Jersey	Direct Loans	New Jersey Economic Development Authority	Loan	Businesses that are unable to get sufficient bank credit on their own or through the Statewide Loan Pool or EDA guarantee are eligible to apply for fixed assets and working capital. Preference is given to enterprises located in an economically targeted area or representing a targeted business sector.	Statewide	Loans are made for up to \$500,000 for fixed assets and up to \$250,000 for working capital for a maximum term of 10 years. The interest rate is equal to the federal discount rate at the time of approval or closing, but no lower than 5 percent.	Ongoing
New Jersey	Hazardous Discharge Site Remediation Loan and Grant Program	New Jersey Economic Development Authority	Mixed	Businesses may qualify for loans of up to \$1 million for up to 10 years for site investigation and clean up. Municipalities owning or holding a tax sale certificate on a property may apply for grants and loans of up to \$2 million per year for investigation and remedial activities.	Grants may be used for preliminary assessments, site investigation and remedial investigations of eligible sites. Loans may be used for these purposes and for clean up of the site. Industrial businesses that are required to perform remediation activities due to a closure of operations or transfer of ownership or operations and do not have a funding source; persons who have discharged a hazardous substance or are responsible for such a substance and do not have a funding source; and municipalities and persons who voluntarily undertake remediation are eligible to apply.	Interest shall be equal to the Federal Discount Rate at time of approval or closing, whichever is lower, with a minimum of 5 percent. DEP charges administrative and oversight fees.	Ongoing

New Jersey	Loan Guarantees	New Jersey Economic Development Authority	Guarantee	Guarantees of conventional loans for working capital can be made for up to \$1 million. Guarantees of conventional loans or bond issues for fixed assets can be made for up to \$1.5 million.		Guarantees can be arranged for a maximum of 10 years, although the loan may be for longer periods. Generally, guarantees are limited to 30 percent - 50 percent of the loan amount but cannot exceed the dollar limitations above. Guarantee fee at closing is ½ of 1 percent of initial guaranteed portion of the loan times the number of years the guarantee is in effect.	Ongoing
New Jersey	Local Development Financing Fund (LDFF)	New Jersey Economic Development Authority	Loan	Loans ranging from \$25,000 to \$2 million may be made for commercial and industrial projects in targeted communities. Financing is in the form of a permanent subordinated mortgage loan made at a below market rate of interest. The municipality in which the business is located must sponsor the request for financial assistance.	Projects must be located in state designated Urban Aid communities.	There is a required minimum 1:1 public/private dollar match but generally the financing is limited to no more than 25 percent of the project costs.	Ongoing
New Jersey	Neighborhood Development Corporation (NDC)	Urban Development Corporation	Mixed Financing	Provides loans, loan guarantees and equity investments to any for-profit neighborhood development corporation to undertake projects that will create jobs, add capital assets and provide other direct benefits to the neighborhood. All available financial sources must be approached prior to applying for the NDCP, and project must have local support.	Project (s) must be located in an eligible municipality, i.e., one which has at some time been eligible for Urban Aid or Depressed Rural Centers Aid as determined annually by the New Jersey Department of Community Affairs.	Maximum direct loan is the lesser of \$500,000 or 50 percent of total eligible project costs. Maximum loan amortization is 20 years.	Ongoing
New Jersey	Underground Storage Tank Loans	New Jersey Economic Development Authority	Loan	The EDA and Department of Environmental Protection jointly administer a fund to make loans and grants available to eligible owners and operators of regulated oil tanks to help finance costs associated with the upgrade, closure and remediation of tanks. Hardship grants not to exceed \$250,000 are available to owners/operators for 100 percent of the project costs. Grant amount is	Eligible business owners are those who own or operate less than 10 petroleum underground storage tanks in New Jersey; have a net worth of less than \$2 million, and can demonstrate the inability to obtain a commercial loan for all or a portion of the eligible costs. To qualify for hardship grants, the applicant must have a taxable income of less than \$100,000 or net	Up to 100 percent of eligible costs. Loans cannot exceed \$1 million per facility. The interest rate is determined by EA and may range from 2 percent to the Primate Rate. Loan term may not exceed 10 years.	Ongoing

				based on the portion of costs EDA determines the applicant cannot reasonable expect to pay.	worth, exclusive of applicant's primary residence, of less than \$100,000. A business grant must recipient must stay in business 15 years after the award or a prorated portion of the grant must be repaid.		
New Jersey	Urban Centers Small Loan Program	New Jersey Economic Development Authority	Loan	Existing retail and commercial businesses located in the commercial district of an urban targeted municipality may obtain financing to fix up their properties.	Existing retail and commercial businesses located in the commercial district of an urban targeted municipality.	Loans range from \$5,000 - \$50,000 for a maximum term of 10 years at an interest rate of 1 percent below the federal discount rate with a floor of 4 percent and a ceiling of 10 percent.	Ongoing
New Jersey	Urban Enterprise Zone Program	Department of Commerce and Economic Development	Mixed Tax	New Jersey has 27 Urban Enterprise Zones which provide significant incentives and benefits to businesses that locate within the zones. Qualified retailers may charge 50 percent of New Jersey sales tax on "in person" purchases; sales tax exemptions for materials and for tangible personal property. Other zone benefits include: a one-time corporation tax credit of \$1,500 for the full-time hiring of residents of a city where a Zone is located who have been unemployed or dependent upon public assistance for at least 90 days, or a corporation tax credit of \$500 for hiring residents within the Zone, within another Zone or within a qualifying municipality; subsidized unemployment insurance costs, for certain new employees an incentive tax credit of 8 percent of investment in the Zone by an approved "in lieu" agreement for certain eligible firms; and priority for financial assistance from New Jersey Local Development Financing Fund and Job Training	New Jersey has 27 Urban Enterprise Zones which provide significant incentives and benefits to businesses that locate within the zones.		Ongoing

				Program.			
New Mexico	Aerospace Research and Development Deduction	New Mexico Taxation and Revenue Department	Tax Abatement/Reduction	The Aerospace Research and Development tax deduction was implemented to stimulate economic development by providing an incentive for research and development service providers to operate in New Mexico.	Aerospace Industry	Maximum Program Benefits: A portion of gross receipts tax is deductible increasing over four years to 100 percent by 1999.	Ongoing
New Mexico	Enterprise Zones	Economic Development Department	Mixed Tax	Municipalities, counties and Indian reservations can designate an eligible area as an enterprise zone. The area must exhibit general distress such as: high levels of unemployment, deterioration of residential and commercial structures, poverty and other distress criteria. Before a jurisdiction can designate an area, a comprehensive strategic plan must be developed with grassroots involvement. The program is non-competitive.	Statewide, distressed areas.	Maximum Program Benefits:\$50,000 tax credit to property owners for the rehabilitation of qualified business facilities; Fast tracking of-infrastructure projects; Tax increment method of financing local enterprise zone projects; Local property tax abatement for 10 years on selected property; Building rehabilitation tax credit up to \$50,000;Special CDBG funds for infrastructure grants and low-interest economic development loans; Technical assistance is available through workshops and one on-one meetings to assist local governments in coordinating their targeted development efforts; and 65 percent in-plant training reimbursement for qualified businesses.	Ongoing
New Mexico	Filmmaker's Gross Receipts Tax Incentive	Tax Information Office	Tax Exemption	Qualified production companies filming in New Mexico may purchase certain services and materials and not pay the State's gross receipts tax on such services and materials.	Film Industry	A qualified production company may execute nontaxable transaction certificates with its suppliers for tangible personal property or services. The suppliers may then deduct their receipts from the gross	Ongoing

						receipts tax.	
New Mexico	Industrial Development Training Program	NM Economic Development Department	Grant	The Industrial Development Training Program pays up to 50 percent (or 65 percent rural) of employee training costs and wages for an expanding or relocating business for up to a six month period. Training may be provided by a state educational institution or tailored to meet specific business needs. Trainees must be residents of New Mexico and guaranteed full-time employment after training. The program is a cooperative effort of the Economic Development Department, the Department of Public Education, the Department of Labor, the Commission on Higher Education and private industry.	In rural areas, wages are reimbursed at a higher rate (60 percent).	Maximum Program Benefits: Trainee wages are reimbursed to the company at 50 percent during hours of training. Trainee hours will not exceed 1,040 hours per trainee based on the business work week, not to exceed 40 hours per week. Trainer costs, excluding business employees, are reimbursed to the business at 50 percent of the trainer's travel and per diem. Instructional costs involving classroom training will be reimbursed to the educational institution at 100 percent of all costs outlined in the training contract. Costs may include instructional salaries, fringe benefits, supplies and materials, textbooks, expendable tools and other costs associated with conducting the training. All costs must be necessary and reasonable.	Ongoing
New Mexico	New Mexico Property Tax Abatement	Tax Information Office	Tax Exemption	Real and tangible personal property is assessed and taxes are collected at the local level	Statewide- Land, buildings and equipment associated with an eligible project to promote economic development.	Maximum Program Benefits: Land, buildings and equipment associated with an eligible project are exempt from ad valorem tax, generally to promote economic development. Term: Up to 30 years. Rate: Varies by community.	Ongoing
New Mexico	Preferential Tax Rate for Small Wineries and Breweries	New Mexico Taxation and Revenue Department	Tax Abatement/Reduction	Preferential tax rate for small wineries and breweries.	Winery/brewery	Maximum Program Benefits: Wine produced by a small winery carries a tax of 10 cents per liter on the first 80,000 liters; 20 cents on production over that level. The basic tax rate for wine is 45 cents per liter. Beer produced by a microbrewery is taxed at 25 cents per gallon. The basic tax rate for beer is 41 cents per gallon.	Ongoing

New Mexico	Rural Development Direct Business and Industry Loan Program	Rural Development	Loan	Loans to private entrepreneurs	Rural communities under 50,000 population. Funding is targeted to projects located in New Mexico's Champion Communities and the La Jicarita Enterprise Community.	Maximum Program Benefits: \$500,000 budget. Interest: Currently 8.25 percent and subject to change on a quarterly basis.	Ongoing
New Mexico	Tax Increment Financing	New Mexico Taxation and Revenue Department	Loan	Tax increment financing is a mechanism for raising funds for economic development purposes. At the beginning of a project, the valuation of the project properties is summed. As the project proceeds, these properties are developed or otherwise improved, increasing their valuations. The tax proceeds flowing from the increase in valuation may be diverted to finance the project.	Tax increment financing in New Mexico is available only in a designated enterprise zone.		Ongoing
New York	Direct Loan Program	Job Development Authority	Loan	This program, funded through the sale of state guaranteed bonds and notes, provides tax-exempt (if eligible pursuant to applicable federal law) or taxable bond proceeds. These bond proceeds provide financing for the growth of manufacturing and other private businesses in New York State, in cooperation with Local Development Corporations (LDCs) and other Federal and State agencies. Financing may be used for the acquisition of land, structures, machinery and equipment; construction, modernization, and renovation of existing facilities and sites; Loans may be used to purchase new or used machinery and equipment used in New York State; Fixed and variable interest rates on direct loans for machinery and equipment secured by a first priority lien (may be co-equal with a participating lender) on the underlying assets, and second	Eligible recipients include small and medium-sized businesses in manufacturing, distribution, warehousing, and certain service industries. Retail, hotel, or residential facilities, real estate and media/film organizations, professional corporations, personal service, medical organizations, and loans for rolling stock, motor vehicles, or waterborne craft are not eligible. Projects must show that they anticipate creating or retain one job for every \$35,000 of program assistance.	A typical JDA assisted financing structure is: 50 percent private or public participating co-lender, 40 percent JDA, and 10 percent equity contribution of loan recipient. Loans are secured by a second lien on the commercial property (but subordinate to no more than 50 percent of project cost) and a proportionally co-equal first lien position with other lenders for machinery and equipment. Direct loans of \$50,000 to \$1,500,000 or no more than 40 percent of total eligible project cost (up to 60 percent in some cases, including projects in economically distressed areas)	Ongoing

				mortgage loans for real estate acquisitions, construction, or renovations; No interim or construction financing; Real estate loans for terms up to 20 years, and machinery and equipment loa			
New York	Empire Zone Real Property Tax Exemption (RPTL 485-e)	New York State	Tax Exemption	If allowed by local option, real property that (1) is located in a designated empire zone (formerly known as an economic development zone) and (2) is constructed or improved after the zone is designated is partially exempt from taxation and special ad valorem levies for up to 10 years, but is liable for special assessments. The amount of exemption is limited to a percentage of the increase in assessed value attributable to the construction or improvement as determined in the first year of exemption. The increase in assessed value ("base amount") used to calculate the amount of exemption remains constant throughout the term of exemption, except (1) where there is subsequent construction or improvement during the term of exemption or (2) where there occurs in the assessing unit an overall change in the level of assessment of 15 percent or more; in either case the base amount must be adjusted.	Property must be located in an empire zone identified as such by the State Empire Zones Designation Board (administered by the New York State Department of Economic Development).	The amount and duration of the exemption depends upon whether the taxing jurisdiction has adopted a fixed 10-year term for the exemption (see Local Option below). If the taxing jurisdiction has adopted a fixed 10-year term, then 100 percent of the base amount is exempt during the first 7 years of the exemption, 75 percent is exempt in the 8th year, 50 percent is exempt in the 9th year, and 25 percent is exempt in the 10th year. If the taxing jurisdiction has not adopted a fixed 10-year term, then the exemption will end in the 10th year of the zone's life, and the exemption percentages will likewise be tied to the zone's life.	Ongoing

New York	Empire Zones Program	Empire State Development	Mixed Tax	<p>Empire Zones (EZs) of one to two square miles each have been designated in 56 distressed communities around the state. Each of these zones has tax credits available to businesses for the duration of the zone designation. Zone Equivalent Areas are defined by the census tract as locations with high poverty and high unemployment that have not been designated as Empire Zones. Businesses locating in these areas have special benefits. Businesses that expand or locate in Empire Zones or Zone Equivalent Areas of New York State may be eligible to receive substantial financial incentives for investment and/or job creation.</p>	Property must be located in an empire zone identified as such by the State Empire Zones Designation Board (administered by the New York State Department of Economic Development).	<p>Within Empire Zones, financial incentives include: (1) Investment tax credit (2) Wage tax credit (3) Zone capital tax credit (4) New York State sales tax refund (5) Utility rate reduction (6) Real property tax exemption (7) Local sales tax refund (8) Energy incentives are available to eligible businesses that locate or are established in EZs. These include gas and electric utilities rate reductions. Many utilities offer certain EZ certified businesses rate reductions of 3 percent to 60 percent for new load. Telephone rate reductions of 5 percent for the life of the EZ on intrastate-intralata charges are available to certified businesses that use NY Telephone or GTE; rate reductions of 5 percent are also available to certified businesses from NYNEX and Citizens Telecom. Within Zone Equivalent Areas, financial incentives which may extend to December 31, 2004, include the wage tax credit.</p>	Ongoing
New York	Empowerment Zone Program	New York Empowerment Zone Corporation (NYEZC)	Mixed Financing	<p>Established by the Revenue Reconciliation Act (1993), this is a Federal initiative to stimulate economic growth in severely distressed areas through tax incentives and incentive financing. The New York State Empowerment Zone (EZ) consists of East, Central and West Harlem, portions of Washington Heights, and the South Bronx. New York State and New York City each have committed \$100 million over the next 10 years to match the Federal commitment for a total of \$300 million. Financing is available for the purchase of qualified zone property and land used for</p>	<p>Qualified businesses are generally any trade except those consisting primarily of the development or holding of intangibles for sale or license, golf courses, country clubs, massage parlors, hot tub or suntan facilities, racetrack/gambling facilities, liquor stores, or farms with assets greater than \$500,000 at close of tax year.</p>	<p>Triple tax exempt enterprise zone facility bond financing at lower than market interest rates; Total outstanding EZ facility bonds allocated to any person cannot exceed \$3 million per zone or \$20 million for all zones nationwide; At least 95 percent of the net proceeds of the bond issue must be used to finance qualified zone property.</p>	Ongoing

				related purposes in the zones.			
New York	Energy Products Center	New York State Energy R&D Authority	Marketing Assistance and Financial Assistance	To promote more efficient and clean supplies of energy.	Businesses involved with a technology, product, or service that generates new supplies of energy more efficiently and cleanly. In order to receive a loan, persons should be a customer of one of the following utility companies: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, or Orange and Rockland Utilities, Inc. Customers must have identified an eligible improvement project, have the necessary documentation and a loan commitment from a participating lender.	Up to \$500,000 of project cost may be funded, with 50 percent co-funding. Project funding is budgeted in advance by program topic and specific in each "Program Opportunity Notice". The program money is allocated among the chosen projects. New York State lenders provide loans with an interest rate of 4.5 percent. The average cost of a project being funded is up to \$200,000.	Ongoing
New York	Enterprise Communities	Empire State Development	Mixed Financing	Sixty-five Federal Enterprise Communities ("ECs") were designated by the U.S. Department of Housing and Urban Development (HUD) at the end of 1994, through the Revenue Reconciliation Act (1993). Four ECs are located in New York State: Buffalo, Rochester, Albany-Schenectady-Troy, Kingston-Newburgh. To stimulate economic growth in distressed areas, each community receives \$2,947,368 over two years in Federal Social Security Block Grants. New York State committed to match the Federal awards, for a total of \$5,894,736 per EC.	Qualified businesses must be located within an Enterprise Community. Sixty-five Federal Enterprise Communities ("ECs") were designated by the U.S. Department of Housing and Urban Development (HUD) at the end of 1994, through the Revenue Reconciliation Act (1993). Four ECs are located in New York State: Buffalo, Rochester, Albany-Schenectady-Troy, Kingston-Newburgh.	Financing is also available for the purchase of qualified enterprise zone property through qualified Enterprise Zone Facility Bonds: Triple tax-exempt enterprise zone facility bond financing at lower than market interest rates; At least 95 percent of the net proceeds of the bond issue must be used to finance qualified EC property; Total outstanding Enterprise Zone Facility Bonds allocated to any business cannot exceed \$3 million per EC or \$20 million for all ECs.	Ongoing

New York	General Development Financing	Empire State Development	Loan	Assistance for projects that create or retain jobs or increase business activity undertaken by manufacturing, non-retail service firms, headquarters facilities of firms engaged in retail industries, retail firms located in distressed areas, and businesses which develop recreational, cultural, or historical facilities for tourist attraction. (For a list of designated distressed areas in NYS, contact ESD Economic Revitalization).	Eligible projects create or retain jobs or increase business activity undertaken by manufacturing, non-retail service firms, headquarters facilities of firms engaged in retail industries, retail firms located in distressed areas, and businesses which develop recreational, cultural, or historical facilities for tourist attraction.	Loans of \$75,000 to \$2,000,000 for up to 40 percent of total project cost at interest rates no lower than 3 percent and terms up to 20 years for real property and up to 7 years for machinery and equipment. Interest rates on loans will be set at the time of Directors' approval of project application; rates will reflect market conditions, applicant's ability to repay, and requirements necessary to make the project feasible, but will not generally be lower than 3 percent. Loan guarantees of \$75,000 to \$2,000,000 or up to 60 percent of the total credit facility, whichever is less. Interest subsidy grants of \$75,000 to \$500,000 for up to 5 years; grants may not reduce the effective interest rate below 3 percent. Capital Grants may also be available for hard costs and related soft costs, as well as for working capital. Working capital loans for amounts to be determined on a case-by-case basis for capital-related expenses such as accounts receivable and inventory. Loans and loan guarantees for terms up to four	Ongoing
New York	Long-Term Economic Development Fund	Job Development Authority	Loan	This program provides fixed asset financing to eligible projects in rural areas of the state experiencing long term economic decline or sudden and severe job losses.	Applicants must be private businesses located in rural or distressed areas of the state and in communities with population under 25,000, or in counties that are not within a Standard Metropolitan Statistical Area, or in counties with fewer than 150 people per square mile. Exceptions may be made on a case-by-case basis.	Loans of up to one-third of total project cost or a maximum loan of \$150,000 per project. Interest rate on loans is the prime rate minus 3 percent, fixed at the time of closing, with a minimum rate of 5 percent and maximum rate of 10 percent.	Ongoing

New York	Metropolitan Economic Revitalization Fund	Empire State Development	Loan	Financing for projects that retain or create significant numbers of private sector jobs in economically distressed areas. Applicants may be both for-profit and not-for-profit businesses or village, town, city, or county governments that invest in economically distressed areas of New York State that fall within the service area of the Port Authority of New York and New Jersey. These areas include New York City and parts of Nassau, Westchester, and Rockland counties.	Eligible businesses should retain or create significant numbers of private sector jobs in economically distressed areas. Applicants may be both for-profit and not-for-profit businesses or village, town, city, or county governments that invest in economically distressed areas of New York State that fall within the service area of the Port Authority of New York and New Jersey. These areas include New York City and parts of Nassau, Westchester, and Rockland counties.	Loans of up to a maximum of \$5,000,000, or 10 percent of total project cost, whichever is less, for acquisition or improvement of land and/or buildings, construction and renovation, and for machinery and equipment purchases. A minimum of 10 percent borrower equity required. Interest rates will be determined by market conditions, applicant's ability to repay, and project requirements, and set at the time of ESD Directors' approval. Terms for project loans will not exceed 20 years for real estate and 7 years (or useful life of collateral) for machinery and equipment.	Ongoing
New York	Motion Picture and Television Development Assistance	Governor's Office for Motion Picture and Television Development	Business assistance	The Governor's Office for Motion Picture and Television Development promotes and encourages the location and expansion of motion picture, television, commercial, video and related pre- and post-production and distribution businesses in New York State. In addition, the Office works with the theatre and New Media industries. This is accomplished through a variety of business assistance and marketing programs, and review of regulatory and tax policy. Free services offered by this unit include: Marketing and servicing for the whole state. MP/TV not only provides complete service and support, but also coordinates with a network of local film offices, Visitors' and Convention Bureaus, and industry liaisons; Location services: scouting, research and access to a location library with over 10,000 images of locations. The program promotes and encourages the location and expansion of motion pictures,	Film Industry		Ongoing

				television, commercial, video and related projects.			
New York	New York State Technology Enterprise Corporation (NYSTEC)	NYS Office of Science Technology and Academic Research		<p>NYSTEC is a state supported, non-traditional Technology Transfer organization that is co-located with the Air Force's Rome Laboratory in Rome, New York. Through NYSTEC, New York State Companies can access technologies developed through the lab as well as laboratory staff and facilities. NYSTEC's particular mission is to accelerate bringing new products to the non-military marketplace by leveraging the federal research and development investment of billions of dollars over the past 40 years in Rome Laboratory. Rome Laboratory is the Air Force super lab for information technology development referred to as C4I--Command, Control, Communications, Computers and Intelligence technologies. The laboratory's specialties include sensors, telecommunications, communications networks, distributed information processing and data bases, software, artificial intelligence, electromagnetics, signal processing, photonics and electronic reliability.</p>	Technology Companies	Rome Laboratory has a staff of about 800 and an annual budget of about \$400 million. The specific nature of assistance is determined by the needs of the company and the capacities of NYSTEC and Rome Laboratory and is generally determined on a case-by-case basis.	Ongoing

New York	Qualified Emerging Technology Company (QETC) Tax Credits	New York State	Tax Credit	Two new credits for emerging technology companies: 1. Qualified Emerging Technology Employment Credit 2. Qualified Emerging Technology Company Capital Tax Credit	A qualified emerging technology company is, pursuant to section 3102-e of the Public Authorities Law (PAL), a company located in New York State that has total annual product sales of \$10 million or less, and meets either of the following criteria: (1) its primary products or services are classified as emerging technologies under section 3102-e(1)(b) of the PAL; or (2) it has research and development activities in New York State and its ratio of research and development funds to net sales equals or exceeds the average ratio for all surveyed companies classified (as determined by the National Science Foundation (NSF) in the most recently published results from its Survey of Industry Research and Development, or a comparable successor survey as determined by the Tax Department).		Ongoing
New York	Qualified Empire Zone Enterprise Incentives	Empire State Development/ New York State Department of Tax and Finance	Tax Credit	Empire Zone- certified businesses locating and increasing employment in Empire Zones ("Qualified Empire Zone Enterprises" or QEZE) may be eligible for enhanced sales, property and business tax credits which may permit them to operate on a virtual "tax-free" basis for up to 10 years, with additional savings available on a declining basis in years 11 through 14. These enhanced benefits include: Sales Tax Exemptions; QEZE Credit for Real Property Taxes; QEZE Tax Reduction Credit.	All qualified businesses located in a New York enterprise zone.		Ongoing
New York	Rural Development Loan Fund	Job Development Authority	Loan	ESD provides financing for small new and existing business development in rural and distressed areas of the state.	Applicants must be private businesses located in rural and distressed areas of the state, in communities with population under 25,000, or in counties that are not within a Standard Metropolitan Statistical Area, or in counties with fewer than 150 people per square mile.	Loans of \$20,000 to \$50,000 or up to 20 percent of total project cost, whichever is less. Interest rate on loans is the prime rate minus 3 percent and fixed at the time of closing, with a minimum 5 percent and maximum of 10 percent.	Ongoing

New York	Tax Exemptions on Real Property in New York City Industrial and Commercial Incentive Program (ICIP)	New York City Department of Finance	Tax Exemption	Under New York City's Industrial and Commercial Incentive Program (ICIP), industrial or commercial construction or reconstruction in designated areas of New York City may be eligible for an exemption or an abatement from the payment of real property taxes.	Designated areas of New York City.	Exemption: Renovation and new construction of industrial properties citywide are eligible to receive a 25-year real estate tax exemption consisting of a full exemption on increases in the assessed value solely attributable to the improvements made for the first 16 years, declining by 10 percent per year for the remaining nine years. These projects may also receive protection against future increases on the improvement due to inflation for the first 13 years of the benefit period. The minimum required expenditure is 10 percent of the assessed value of the project. Abatement: In addition to the exemption program described above, renovation and new construction of industrial properties citywide are also eligible to receive a 12-year real estate tax abatement based on the pre-existing real estate taxes of the assessed value of both the land and the building for the tax year preceding the issuance of the building permit; or, if no building permit is required, the start of construction for the first four years. Th	Ongoing
New York	Zone Equivalent Areas	Empire State Development	Tax Credit	Businesses employing individuals in areas that meet EZ eligibility criteria, but were not so designated (zone equivalent areas, or ZEAs), may take the Wage Tax Credit for wages paid for full-time employment in jobs created in the ZEA. The credit is the same as the EZ-Wage Tax Credit: \$3,000 per targeted employee; \$1,500 per non-targeted employee; available for one 5-year period. Taxpayers may carry unused credits forward indefinitely. The ZEA program expires in 2004.	Businesses employing individuals in areas that meet EZ eligibility criteria, but were not so designated (zone equivalent areas, or ZEAs), may take the Wage Tax Credit for wages paid for full-time employment in jobs created in the ZEA.	For tax years 2001 and beyond, the credit amounts increase to \$3,000 for targeted employees and \$1,500 for nontargeted employees, and these amounts remain the same throughout the entire five-year duration of the credit. Also starting in 2001, taxpayers may take the credit during a ten-year period following designation as a ZEA. The total wage tax credit cannot exceed 50 percent of tax due before credits. Corporation franchise taxpayers, banks, insurance companies, and personal income	Ongoing

						taxpayers may claim this credit.	
North Carolina	Jobs Creation Tax Credit	Department of Commerce	Tax Credit	North Carolina provides a Tax Credit for creating jobs in all 100 counties. Counties are arranged by Enterprise Tier Areas, and the credit is valued according to the area tier factor. Eligible companies must maintain a threshold of at least 5 jobs before any firm begins counting jobs for credit. Credit is taken in equal installments over the four years following the taxable year in which a job is created.	The jobs tax credit is available to firms in the NAICS categories of manufacturing and processing (31-33), warehousing (493110), wholesale trade and distribution (42), data processing (54151), air courier service (492110), electronic mail order (454110), customer service center (561422) and central administrative office (551114). NAICS codes are designated by the Employment Security Commission.	The size of the tax credit is based on the location of the firm. Enterprise Tier Areas are designated each December by the Secretary of Commerce based on the rankings of all areas by unemployment, per capita income and population growth. The credit for Tier 1 counties (23 most distressed counties) is \$12,500; Tier 2 counties (next 15 counties) is \$4,000; Tier 3 counties (next 25 counties) is \$3,000; Tier 4 counties (next 17 counties) is \$1,000 and Tier 5 counties (next 20 counties) is \$500. There is a 5 year carry forward available for any unused credits. The Jobs Tax Credit (including carry forwards) may not exceed 50 percent of the tax against which it is claimed, reduced by the sum of all other credits allowed against that tax, excluding payments made by the taxpayer. Either the income tax or franchise tax may be elected, but not both.	Ongoing

North Carolina	Machinery and Equipment Investment Tax Credit	Department of Commerce	Tax Credit	This tax credit is available to eligible companies that invest in machinery and equipment. The tax credit is equal to the investment amount of machinery and equipment minus the applicable threshold, multiplied by 7 percent. The credit is taken in 7 equal installments following the taxable year in which the machinery and equipment is placed in service.	Eligible Companies are manufacturing, processing, warehousing, distribution, data processing, air courier service, electronic mail order, central administrative office as defined in NAICS codes. A company's NAICS code must be in one of the categories listed above. NAICS codes are designated by the Employment Security Commission.	The size of the tax credit is based on the location of the firm. The threshold for Tier 1 counties is \$0; Tier 2 counties is \$100,000; Tier 3 counties is \$200,000; Tier 4 counties is \$500,000 and Tier 5 counties is \$1,000,000. A five-year carry forwards is available for any unused credits. The credit (including carry forwards) may not exceed 50 percent of the tax against which it is claimed, reduced by the sum of all other credits allowed against that tax, excluding payments made by the taxpayer. Either the income tax or franchise tax may be elected, but not both. If the machinery and equipment are moved out of the state during the seven year period, future credits are forfeited. If the machinery and equipment are moved to a different tier during the seven year period, remaining installments allowed to extent which would have been allowed if initially placed in service in the new tier.	Ongoing
North Carolina	North Carolina Biotechnology Center	North Carolina Biotechnology Center	Grant	The NC Biotechnology Center promotes biotechnology research, development, job training and commercialization for statewide economic benefit. The Center has four grant programs that support basic research, information sharing, educational enhancement and job training and infrastructure development at the state's universities. Academic Research Initiation Grants provide seed funding for biotechnology-related research projects that promise practical benefits. The Center has two loan programs that encourage technology transfer and research and	Awards are made to North Carolina academic institutions, nonprofit organizations, or businesses. In the case of awards to businesses, the awardee must agree to maintain a significant presence in North Carolina for five years from the effective date of the award or to repay the Center in full.	Economic Development Finance Program loans are available for up to \$250,000 for 18 months of support. The SBIR Matching Fund Program provides up to \$50,000 for research and development activities that refine Phase I research and initiate work on Phase II project objectives.	Ongoing

				development efforts in the state's biotechnology companies. The Economic Development Finance Program provides financial assistance to companies to promote the initiation and expansion of commercial applications of biotechnology. The Small Business Innovation Research (SBIR) Matching Fund Program provides financial assistance to small biotechnology companies that have successfully competed for funding under the federal SBIR program.			
North Carolina	Worker Training Tax Credit	Department of Commerce	Tax Credit	Firms eligible for the jobs creation tax credit or the machinery and equipment tax credit can take a credit of 50 percent (up to \$500 credit value for each employee trained in Tier 2-5 counties) against eligible training expenses if the firm provides training for 5 or more employees. If the firm is located in Tier 1, the maximum credit is \$1000 per employee.	Eligible Companies are manufacturing, processing, warehousing, distribution, data processing, air courier service, electronic mail order, central administrative office as defined in NAICS codes. A company's NAICS code must be in one of the categories listed above. NAICS codes are designated by the Employment Security Commission.	There is a 5 year carry forward available for any unused credits. The credit (including carry forwards) may not exceed 50 percent of the tax against which it is claimed, reduced by the sum of all other credits allowed against that tax, excluding payments made by the taxpayer. Either the income tax or franchise tax may be elected, but not both.	Ongoing
North Dakota	Regional Rural Development Revolving Loan Fund	North Dakota Development Fund	Mixed Financing	Program provides flexible "gap financing " to make projects bankable through subordinated debt, equity and partnerships.	This fund is allocated equally among the state's eight economic regions for projects located more than five miles outside the limits of a city with a population less than 8,000.	Maximum investment \$300,000. Debt and equity investments are priced based upon the appropriate risk/return. Debt averages: working capital 3-5 years, machinery/equipment 5-7 years, commercial real estate 10-25 years. Equity averages: 5-10 years. Internal rate of return negotiated on case by case basis.	Ongoing
Ohio	Community Reinvestment Areas	Department of Development	Tax Abatement/Reduction	Local tax incentives for businesses that expand or locate in designated areas of Ohio. Program highlights include substantial real estate property tax reduction.	Designated areas.	Up to 100 percent exemption of the improved real estate property tax valuation for up to 15 years. In some instances, local school board approval may be required.	Ongoing

Ohio	Enterprise Zones	Department of Development	Mixed Tax	Local and state tax incentives for businesses that expand or locate in designated areas of Ohio.	Businesses must finalize an Enterprise Zone Agreement prior to project initiation, agree to retain or create employment and establish, expand, renovate, or occupy a facility in an Enterprise Zone.	Up to 75 percent exemption in incorporated areas and up to 60 percent in unincorporated areas of the improved real estate or new tangible personal property tax valuation for up to 10 years. In some instances, local school board approval may be required.	Ongoing
Ohio	Governor's Office of Appalachia Grants	Department of Development	Grant	The Governor's Office of Appalachia (GOA), involved with both short- and long-term planning, facilitates development and serves as an advocate for the region by developing policy and promoting specific projects and proposals that originate from the region's residents.	GOA receives approximately \$4 million annually from the Appalachian Regional Commission (ARC) to administer the state ARC program and fund special project development.	GOA receives approximately \$4 million annually from the Appalachian Regional Commission (ARC) to administer the state ARC program and fund special project development.	Ongoing
Ohio	Local Economic Development Program of CDD	Department of Development	Grant	The grant program provides incentives for projects to take place in distressed areas where private sector developers are reluctant to invest, including grants of up to \$50,000 with as much as \$25,000 of grant being used for project development costs.	Low and moderate income communities.	At least 50 percent of the grant must be used for project implementation costs. Requires at least 2:1 ratio of other funds. As much as \$25,000 of grant may be used for project development (professional services planning and administration).	Ongoing
Ohio	Pioneer Rural Loan Program	Department of Development	Loan	Provides direct loans for businesses locating or expanding in Ohio's rural areas. Businesses must demonstrate that they will create new jobs for Ohio citizens in rural areas. Loan may be used for acquisition of land and buildings, new construction, renovation and expansion of existing buildings and acquisition of machinery and equipment.	Eligible areas include counties with labor surplus, distressed counties and situationally distressed counties. The program seeks to finance projects that will create/retain at least one job for every \$35,000 of state investment during the first three years of the project.	The maximum loan amount is \$750,000. Participation by the Pioneer Rural Loan Program for any one project cannot exceed 75 percent of the total fixed-asset costs. The annual interest rate for the Pioneer Rural Loan financing will be fixed at not greater than half the prime rate, which shall be determined solely by the State Development Director. The term of the Pioneer Rural Loan will be based on the useful life of the assets being financed and the term of the bank loan in the project. The term on a Pioneer Rural Loan cannot exceed 15 years for real estate	Ongoing

						financing or seven years for machinery financing.	
Ohio	Rural Industrial Park Loan	Department of Development	Loan	Provides direct loans and loan guarantees to rural, distressed local communities and other eligible applicants committed to creating well-planned industrial parks.	Nonprofit organizations that promote economic development in rural areas; Local governmental units are eligible to apply for the financing of off-site public infrastructure improvements (i.e., water, sewer, roads).	Maximum loan available is \$1 million and cannot exceed 75 percent of total eligible costs.	Ongoing
Ohio	Scrap Tire Loan and Grant Program	Ohio Department of Natural Resources	Grant	Loans and grants are available to scrap tire recyclers who locate or expand in Ohio and who demonstrate that they will create new/reuse scrap tire products.	Companies locating or expanding in designated "distressed" areas.	ODOD has \$2 million available for qualifying loans and grants, with additional funds earmarked to continue the program through the year 2000. Loans and grants are distributed to qualifying companies on a first-come, first-served basis. Financing is designated as "take-out" financing wherein a business must complete its project utilizing interim financing from a conventional lender as its equity. Upon completion of the project, the state funds will be disbursed. Preferential interest rates and terms are provided for qualifying companies locating or expanding in "distressed" areas.	Ongoing

Ohio	Steel Development Initiative: 166 Direct Loan or Loan Guarantee & Ohio Enterprise Bond Fund	Dept. of Development	Loan	Support the steel industry.	Steel makers, processors, and foundries (SIC 3300 & 3400) making new capital investments; eligible investments include fixed asset investment in building, machinery, and equipment. To date, ten companies have benefited from this program.	Up to \$30 million available (up to \$10 million per company) under two programs : 1) Direct Loan or Loan Guarantee-provides up to 30-40 percent of eligible project costs, \$15,000 of state money loaned per job retained or created in non-distressed areas; \$35,000 of state money loaned per job retained or created in distressed areas; 10 percent equity requirement; interest rate fixed at 3 percent; term of 5-15 years based on life of fixed assets; 2) Ohio Enterprise Bond Fund- provides up to 90 percent of fixed rate financing of eligible project costs; \$75,000 of bond money loaned per job retained or created; 15-20 year term based on life of fixed assets. Up to \$60 million in tax-exempt financing is available for eligible pollution control equipment.	Ongoing
Ohio	Steel Development Initiative: Infrastructure Grants	Dept. of Development	Grant	To develop infrastructure. Infrastructure grants are allocated for public infrastructure improvements necessary to move a project forward or make key equipment acquisitions.	Steel makers, processors, and foundries (SIC 3300 & 3400) making new capital investments. Conditions for receiving a grant are job creation and retention.	Up to \$5 million over three years. The total amount granted since 2001 is \$600,120	Ongoing
Ohio	Steel Development Initiative: Targeted Industries Training Grant Program	Ohio Board of Regents	Grant	To support the steel industry.	Steel makers, processors, and foundries.	Up to 75 percent of the instructional and related costs of a training program. Maximum of \$50,000 in benefits to a single company during a fiscal year-cost per trainee per training project cannot exceed \$650.	Ongoing
Ohio	Third Frontier Action Fund (TFAF)	Department of Development	Grant	The Technology Action Fund has been renamed the Third Frontier Action Fund (TFAF). TFAF continues the mission of the	This initiative will link major existing businesses, educational institutions, venture capitalists, entrepreneurs, emerging high-tech	The initial purpose of the fund, established with a budget of \$3 million, was to increase the amount of federal research dollars leveraged	Ongoing

				<p>Technology Action Fund in providing financial support to projects that contribute to technology-based economic development in Ohio. TFAF grant awards are made on a competitive basis.</p> <p>In this funding cycle proposals are sought in three focus areas. The first focus area is to increase the availability of professionally managed, early-stage capital to Ohio start-up or early-stage technology companies. The second focus area provides support for collaborations formed to commercialize a near-term specific or platform technology or capability. The third focus area supports the Governor's Fuel Cell Initiative.</p> <p>Request</p>	enterprises, and the broader community in capitalizing on the region's strengths to foster, connect, leverage, and promote the varied new economy clusters that have emerged there.	into the state. In 2000 and 2001 the Fund was increased to \$15 million each year and the focus of support changed to support entrepreneurial activity in technology sectors in Ohio.	
Ohio	Technology Investment Tax Credit	Department of Development	Tax Credit	<p>Ohio's Technology Investment Tax Credit program offers a variety of benefits to Ohio taxpayers who invest in small, research and development and technology-oriented firms. Through this innovative program, Ohio investors may reduce their state taxes by up to 25 percent of the amount they invest in qualified, technology-based Ohio companies.</p>	The Technology Investment Tax Credit can benefit investors who meet a variety of requirements specified by Ohio law. First, investors must invest in Ohio companies which are eligible for tax credit investments and are engaged in qualified trades or businesses, i.e. technology oriented businesses.	The program's maximum credit of \$90,000 per investment may be applied to personal income tax, corporation franchise tax, public utility excise tax or the tax on dealers in intangibles.	Ongoing
Oklahoma	Enterprise Zones	Department of Commerce	Mixed Financing	<p>The state has designated Enterprise Zones which can be either depressed counties or inner cities. These zones provide three major inducements for business. Double the Investment/New jobs tax credit is allowed and low interest loans may be made available through the enterprise district loan fund. The enterprise district management authorities created in each enterprise district are empowered to establish venture capital loan programs and to</p>	Any type of manufacturing company locating in low income, high out-migration, or high unemployment areas.	These loans can be for up to 100 percent of the estimated cost of the building and equipment.	Ongoing

				solicit proposals from enterprises seeking to establish or expand facilities in the zones. By statute, funds for these programs would come from the issuance of general obligation bonds by the district involved.			
Oklahoma	Investment New Jobs Income Tax Credit	Oklahoma Tax Commission	Tax Credit	The Investment New Jobs Income Tax Credit allows manufacturers or qualified aircraft maintenance facilities the greater credit of one percent per year of the investment in qualified depreciable property the year the property is placed in service, or a credit of \$500 per year per additional new jobs engaged only in manufacturing or processing. To qualify, the depreciable property must have a floor cost of at least \$50,000. New jobs credit shall be for each full time equivalent manufacturing employee earning at least \$7,000 during each year the credit is claimed. The taxpayer that invests in qualifying property and also adds new employees should figure the tax credit both ways (total capital expenditures if over \$50,000 or net increase in full time equivalent employees) and take the larger credit. In Enterprise Zones the credit is doubled. Firms that take advantage of the Investment/Jobs Income Tax Credit Package are ineligible for the Quality Jobs 10-Year Cash Back Incentive.	Manufacturing, aircraft maintenance facilities and various computer service industries.	The credit allowable in any year is limited to the employer's tax liability; any credit not used may be carried forward and claimed in any of the five years following the initial five-year period. It may be necessary to retain up to ten years of records to properly document the credit.	Ongoing

Okla-homa	Quality Jobs 10-Year Cash Back Incentive	Department of Commerce	Tax Refund	<p>The program is targeted to manufacturers and certain service companies which utilize the new Oklahoma Quality Jobs program by having a new payroll investment of \$2.5 million or more. It is an easy-access program which provides direct payment incentives (based on new wages paid) to companies for up to ten years. The program provides quarterly cash payments of up to 5 percent of new taxable payroll directly to qualifying companies for up to ten years. Beginning in 2003, jobs included in the \$2.5 million threshold must be paid at least equal to the average county wage where the company is located, not required to exceed \$25,000.</p> <p>Firms cannot utilize the jobs or investment tax credit, sales tax exemptions for construction, or a variety of additional tax credits and exemptions.</p>	Fast growing businesses within the SIC Codes 20-39.	Payments are generally limited to 5 percent of payroll and for most businesses will be in the 4 percent to 5 percent range.	Ongoing
Oklahoma	Sales Tax Refunds for Computer-related Products	Oklahoma Tax Commission	Tax Refund	Oklahoma offers a sales tax refund on computers, data processing equipment, related peripherals, telegraph or telecommunications services or equipment.	<p>Qualifying companies include:</p> <p>a. New or expanded aircraft maintenance and manufacturing facilities that create 250 or more jobs, with construction investment of \$5 million and purchases of at least \$2 million worth of computers and other listed items.</p> <p>b. Research and development or computer services companies (SIC 7372-7375, 8731-8734). (SIC 7374 must attain minimum of \$100,000 purchases), when at least 50 percent of the annual gross revenue of the business is generated by sales of product or service to an out-of-state buyer or consumer (includes the federal government); 75 percent of annual gross income results from computer services/data processing or research and development activities; and the business employs at least 10 new workers at an average salary of \$35,000 for at least three years.</p>		Ongoing

Oregon	Business Development Fund	Oregon Economic Development Department	Loan	The Oregon Business Development Fund is a revolving loan fund administered by the Department. The OBDF can provide loans to businesses for acquisition, construction, and operation of property, real or personal. The program is designed to provide leverage for private financing.	Preferred project is a business with fewer than 50 employees located in rural areas and enterprise zones.	Maximum of 40 percent OBDF participation. Maximum loan size is \$500,000. The term of the loan cannot exceed the useful life of the project or 20 years, whichever is less. The interest rate is one point above the current yield of U.S. Treasury securities of a comparable term. The commission's security interest may be subordinated to a senior lender; however, all loans must be secured by good and sufficient collateral except for projects located in economically distressed areas.	Ongoing
Oregon	Business Retention Services	Oregon Economic Development Department	Business assistance	The Oregon Business Retention Service is a statewide management consulting service that contracts with Oregon businesses that have a national or international customer base. The program assists Oregon businesses that either are having financial problems or are going through a difficult transitions with growth, market shifts, or an ownership change. In addition, OBRS has provided partial funding for feasibility studies of potential employee buyouts, and partial funding for studies that examine the feasibility of reopening closed industrial facilities. The technical assistance to transitional companies is provided by private sector consultants who have been screened and selected by the Oregon Economic Development Department. The consultant's function is to analyze the company including management, operations, marketing, and the financial situation of the firm, and make specific recommendations and work with owners/managers to implement improvements. The	The goal of the program is to retain industrial jobs in Oregon's communities. Only companies involved in a traded sector industry, primarily manufacturing or processing, can qualify for technical assistance or employee buy out feasibility studies. Preference will be given to firms in forestry, fishing, and agriculture; although, strategically placed firms in rural areas will be considered.	The consultant's fees are paid by the department, but the company is obligated to repay the cost of service within two years. No interest will be charged, and the ability to repay will be taken into consideration. Participating businesses receive up to \$4,000, or approximately 40 hours, of management counsel. The applicant for a feasibility study of a closed industrial facility must provide 25 percent of the cost of the study in a cash match. The department's contribution, which is in grant form, cannot exceed \$30,000.	Ongoing

				OBRS is financed with lottery proceeds.			
Oregon	Enhanced Enterprise Zones	Oregon Economic & Community Development Dept.	Tax Abatement/Reduction	The Oregon Legislature created this incentive in 1997 to spur major industrial investments in rural areas of the state with highest rates of unemployment. The incentive provides 7-15 consecutive years of full relief from assessment of all local property taxes at the investment site.	Rural areas of the state with high unemployment.	Credit equal to 62.5 percent of gross payroll is applied against state corporate income tax liabilities relating to the facility, over and above the first 41 million in annual income taxes.	Ongoing
Oregon	Enterprise Zone Program	Oregon Economic Development Department	Tax Abatement/Reduction	The Oregon Enterprise Zone Program was created by the Legislature in 1985 as a business incentive to create new jobs by encouraging business investment in economically lagging areas of the state. Oregon has 44 enterprise zones with at least one in virtually every region of the state. Current statutory authority allows for up to 48 zones to exist at one time.	Forty-four areas in Oregon have been designated as enterprise zones. Eligible business firms provide goods, products or services to other business operations. This includes not only conventional manufacturing and industrial activities, but also processing plants, distribution centers, maintenance facilities, warehouses, corporate headquarters and most call centers.	Construction of new facilities in an enterprise zone entitles a business to a 100 percent property tax abatement for three years on new plant and most of the equipment installed in the plant.	Ongoing
Oregon	Industrial Development Revenue Bonds	Oregon Economic Development Department	Bond	The Economic Development Commission issues industrial development revenue bonds for manufacturing, processing, and tourism related facilities in Oregon.	Proceeds of bond issues may be used to purchase land, construct new buildings, purchase existing buildings, purchase new or used equipment, and expand or improve existing plants, as well as to cover architectural fees, bond counsel, underwriting, and administration of bond issues. Only manufacturing projects, certain facilities such as docks or solid waste facilities, and	Industrial development bonds can be used for up to 100 percent of the estimated cost of the project. The company will enter a lease, loan, or conditional sale agreement with the Economic Development Commission. Bonds may be sold publicly or privately. Interest rates are subject to negotiation between the company and bond purchasers.	Ongoing

					bonds for nonprofit organizations are federally tax exempt. Specifically excluded are retail businesses, shopping centers, office buildings, and recreational facilities, as well as projects in which ground breaking, construction, or purchase of equipment has started before the granting of project eligibility.		
Oregon	Port Revolving Loan Fund	Oregon Economic Development Department	Loan	The Oregon Port Revolving Fund provides long-term loans to ports at below market interest rates. The fund provides loans to port districts for improvements to port facilities or to assist private firms located on port industrial properties. Loans may match grants from federal, state, and local agencies.	Legally formed Oregon port districts are the only entities eligible for Port Revolving Fund loans.	Maximum loan size is \$500,000, with no more than \$1.5 million outstanding to any one port at any one time. The term of loans may not exceed 20 years or the useful life of the project, whichever is less. Interest rates on PRF loans are set at 1 percent less than the current yield on U.S. Treasury securities of a similar maturity for business development projects and not less than 5 percent for port development loans. All loans must be backed by collateral.	Ongoing
Oregon	Strategic Investment Program	Oregon Economic Development Department	Bond	For approved projects that benefit Oregon's key industries, the Department can issue industrial development revenue bonds. Properties developed under the program are exempt during the term of the bond from property taxes on assessed value in excess of a cap that begins at \$100 million and is adjusted annually. A project does not need to be fully bonded to be eligible for the tax exemption. Participating companies make a payment directly to local governments to support community costs of meeting additional service requirements. This payment is equal to 25 percent of exempted property taxes but not more than \$2 million per year. Local jurisdictions have broad discretion to	Oregon key industries		Ongoing

				negotiate conditions that offset the impact a project may have on a region or community.			
Oregon	Strategic Reserve Fund	Oregon Economic Development Department	Loan	The Department and Governor allocate monies from the Strategic Reserve Fund to leverage other available public, industry, or business resources for projects which have positive long-term regional or statewide economic impact. Where possible, funding has been targeted toward projects related to key industries, distressed timber-dependent communities, economies affected by salmon-related environmental restrictions, or inner city areas.	Oregon key industries.		Ongoing
Pennsylvania	Enterprise Zone Program	Department of Community and Economic Development	Grant	Designed to assist financially disadvantaged communities in preparing and implementing business development strategies within municipal Enterprise Zones.	Private sector-driven program designed to increase the quantity and quality of available job opportunities within an Enterprise Zone.	Planning grants to municipalities up to \$50,000; basic grant up to \$50,000; grants-to-loans for businesses up to \$250,000.	Ongoing
Pennsylvania	Enterprise Zone Tax Credit - Community Investment	Department of Community and Economic Development	Tax Credit	Provides tax credits to businesses investing in Enterprise Zones.	Businesses located within Enterprise Zones.	Tax credits equal 20 percent of amount invested. Up to \$250,000 per project.	Ongoing
Pennsylvania	Keystone Opportunity Zone (KOZ)	Department of Community and Economic Development	Tax Abatement/Reduction	Provides state and local tax abatement to businesses, property owners and residents locating in one of the 12 designated zones as of January 1, 1999.	Businesses, property owners or residents located in one of the 12 designated zones as of 1/1/1999.	Projects in KOZ are given priority consideration for assistance under various community and economic building initiatives. Applications for assistance should be clearly marked KOZ activity when appropriate. Qualified businesses, residents, or property owners must be current with all state and local taxes and building codes in order to receive benefits	Ongoing

						and/or annual certification. Existing PA business relocating to a zone must meet one of two provisions increase full-time employment by 20 percent (based on operations being moved), or make a capital investment in the property equivalent to 10 percent of gross revenues from prior year. Length of program varies per sub zone ending in 2008, 2010, or 2013.	
Penn-sylvania	Pennsylvania Community Development Bank (PCD Bank) – Loans		Loan	Debt financing for Community Development Financial Institutions (CDFIs); Public funds (25 percent) matched with private sector funds (75 percent) to create a loan pool for eligible CDFIs.	State accredited community development financial institutions are eligible; CDFI must meet state accreditation standards and program underwriting guidelines; Minimum 2 years lending experience; Focus on economic development and job creation.	3-, 5-, and 7-year loans of amounts from \$250,000 to \$5 million. Principal and interest repaid quarterly; interest rate is a blend between public rate of 50 basis points and private rate of U.S. Treasury rate plus 100 basis points; Collateral required. Monitoring covenants are established for each borrower.	Ongoing
Penn-sylvania	Pennsylvania Industrial Development Authority (PIDA)	Pennsylvania Economic Development Financing Authority	Loan	Low-interest loan financing through Industrial Development Corporation for land and building acquisition, construction, and renovation, resulting in the creation or retention of jobs.	PIDA funds may be used for land and building acquisition, building construction and renovation, industrial park development, and multi-tenant spec building construction, acquisition and renovation. Job creation loans are for manufacturing, industrial research and development, agricultural processors, or firms establishing a national or regional headquarters or computer/clerical operation centers. Job retention loans are for manufacturing firms that meet certain quality standards and wage thresholds in that county.	Loans up to \$1.25 million (within an Enterprise Zones, Act 47 Industrial Communities, Brownfield Sites, and Keystone Opportunity Zones, \$1.75 million). No more than 30 to 50 percent of total eligible project costs depending upon firm size and area unemployment rate. Brownfield sites and those in an Act 47, Enterprise Zone or Keystone Opportunity Zone qualify for 3.75 percent interest rate; Advanced Technology projects qualify for an interest rate of 3.75 percent or 4.25 percent. Interest rate is 3.75 percent to 6.75 percent, depending upon local unemployment rate; up to 15-year term on land and buildings; no less than a second mortgage on financed assets; disbursement to applicant based upon reimbursable expenses; \$25,000 cost per job to be created or retained.	Ongoing

Pennsylvania	PTIA (Pennsylvania Technology Investment Authority) - Investment	Department of Community and Economic Development	Equity	Financing available as direct investment to or on behalf of technology-oriented businesses located in or maintaining a substantial operating presence in Pennsylvania.	For-profit businesses that must fall within SIC or NAICS codes.	Amounts are variable. Financial return to PTIA and PTIA investment is not to exceed 20 percent of total investment.	Ongoing
Pennsylvania	Underground Storage Tank Upgrade Loan Program (USTULP)	Department of Community and Economic Development	Loan	Low-interest loan financing to business owners of regulated underground storage tanks to meet federal Environmental Protection Agency upgrade requirements.	Business owners of regulated underground storage tanks to meet Federal EPA upgrade requirements.	Amounts of \$500,000 or 75 percent of the total eligible cost, whichever is less. 10 years maximum term. The interest rate is fixed for the term of the loan and shall equal the interest rate for a 5-year U.S. Treasury note as determined by the Department. 2 percent loan commitment fee due at loan commitment. 10 percent of the total eligible project cost must be cash equity; the remaining 15 percent may be bank or vendor financed. All loans will be guaranteed by the principals of the borrower.	Ongoing
Rhode Island	Corporate Income Tax Rate Reduction	Rhode Island Economic Development Corporation	Tax Abatement/Reduction	The Rhode Island Jobs Development Act grants incremental income tax reductions to companies that create new employment in Rhode Island between January 1, 1995 and July 31, 2004.	Statewide	The incremental income tax reduces a company's corporate income tax rate (currently 9 percent) by a quarter percentage point (0.25) for each 50 new jobs created during a three-year period. For companies with fewer than 100 employees, the tax reduction occurs if at least ten jobs are added during a three-year period. The maximum reduction is 6 percent allowing the present state income tax to be reduced to as low as 3 percent.	Ongoing
Rhode Island	Enterprise Zones	Rhode Island Economic Development Corporation	Tax Credit	A taxpayer who owns a certified business facility within an area designated by the Enterprise Zone Council may qualify for several incentives to expand facilities and employment in these areas.	Designated Areas: The State of Rhode Island has designated eleven Enterprise Zones. These zones include parts of Bristol, Central Falls, Cranston, Cumberland, East Providence, Lincoln, Pawtucket, Portsmouth, Providence, Tiverton, Warren, Woonsocket, and West Warwick. Federal enterprise zones	Incentives to employ enterprise zone residents: A tax credit is allowed for qualified enterprise zone businesses for employing persons domiciled in an enterprise zone. Firms qualifying for enterprise zone tax credits by increasing total company employment by 5 percent within an R.I. enterprise zone may take a credit	Ongoing

					or enterprise communities qualify for all benefits afforded state enterprise zones as of July 1, 1998.	equal to 75 percent of the total wages paid to enterprise job employees living in an enterprise zone. The maximum credit is \$15,000 per employee.	
Rhode Island	Rhode Island Employer's Apprenticeship Tax Credit	Rhode Island Economic Development Corporation	Tax Credit	To promote growth in the metal and plastic industries.	The credit applies to the following trades in the metal and plastic industries: machinist, toolmaker, modelmaker, gage maker, patternmaker, plastic process technician, tool & machine setter, diesinker, moldmaker, tool & die maker, machine tool repair.	The annual credit allowed is 50 percent of the actual wages paid to the qualifying apprentice or \$4,800, whichever is less.	Ongoing
South Carolina	Corporate Income Tax Moratorium in Distressed Counties	South Carolina Department of Revenue	Corporate Income Tax Moratorium	To encourage growth in economically distressed counties.	Companies located in South Carolina's most economically distressed counties.	Corporate income tax moratorium. Length of moratorium dependent upon number of new jobs created: 100 new jobs over 5 years results in a 10 year moratorium; 200 new jobs results in a 15 year moratorium.	Ongoing
South Carolina	Economic Impact Zone Investment Tax Credit	South Carolina Department of Commerce	Tax Credit	To help offset the impact of federal downsizing in the state and spur growth in areas surrounding Charleston Naval Base, Myrtle Beach Air Force Base, and the Savannah River Site.	Manufactures located in "Economic Impact Zones."	One-time credit against a company's corporate tax of between 1 percent and 5 percent of a company's investment in new production equipment. Credit percentage depends on the applicable recovery period for property under the Internal Revenue Code.	Ongoing
South Carolina	Fee-in-lieu of Local Property Taxes	Local Governments	Tax Abatement/Reduction	A company can negotiate a Fee-in-Lieu of property taxes agreement with a county if certain investment criteria are met. The advantages to a company include: (1) savings as payments to local government are reduced significantly through negotiation of a lower assessment ratio and negotiation of an applicable mileage rate; (2) planning as payments to local government are stabilized for the term of the	Qualifying investments of \$5 million or more	Savings will occur by reducing the assessment ratio from 10.5 percent to a minimum of 6.0 percent and potentially locking in the millage rate for the life of the agreement up to 20 years. All terms are negotiated with Counties.	Ongoing

				agreement (up to twenty years); and (3) scheduling, as the payment stream can be negotiated to meet the financing needs of the company. A company can qualify to negotiate a FILOT with an investment as low as \$5 million.			
South Carolina	Jobs Tax Credit for New Job Creation	SC Department of Revenue	Tax Credit	Provides a credit to corporate income tax or premium tax based upon new jobs created by a company locating or expanding a facility in any county in the state. The dollar credit is based on each new full-time job created with the credit value and minimum required annual job creation varying by county.	Credits for Least Developed counties are \$4,500; Under Developed counties are \$3,500; Moderately Developed counties are \$2,500; and Developed Counties are \$1,500.	The credit is available for a five-year period beginning with Year 2 of the Project. (Year 1 is used to establish the created job levels). The number of new jobs is calculated as the increase in the average monthly employment from one year to the next. The credit can be applied against corporate income tax or premium tax, not to exceed 50 percent of the year's tax liability. Unused credits may be carried forward for 15 years from the year earned. Credit value ranges from \$1,500 to as high as \$5,500 per job for 5 years.	Ongoing
South Carolina	Tax Increment Financing for Redevelopment Projects	Local Governments	Loan	Incorporated municipalities are authorized to issue obligations for the purpose of redevelopment within their boundaries. The debt service for such obligations is to be funded from the added increments of tax revenues resulting from the projects. Obligations must mature within 30 years, and interest rates are determined by the governing body of the municipality.	Areas eligible for redevelopment projects include vacant or improved areas that, according to specifications, are classified as blighted areas or conservation areas. Areas that are deteriorating and declining and threatening to become blighted areas if such decline is not checked are eligible. Eligible projects can be buildings, improvements (e.g., street, water, or sewer), parking facility, or recreational facilities owned by the municipality.	Total aggregate area within any one municipality may not exceed 5 percent of the total acreage of the municipality. The area designated for redevelopment may not be less than a total of 1.5 acres.	Ongoing

Tennessee	Economic Development Loan Fund	Tennessee Valley Authority	Loan	TVA Economic Development Investment Funds are designed to provide capital to finance companies in the Tennessee Valley, generate high-value jobs, and make new capital investment. The TVA Economic Development Loan Fund is a \$100 million revolving loan program that provides low interest loans to established companies relocating or expanding their operations in the Tennessee Valley.	Businesses must be located in the TVA power service area. Manufacturing and distribution businesses are the primary targets. Specifically targeted are automotives, plastics, metals and metal fabrication, and electronics. To be eligible, the loan must be used for buildings, plant equipment, infrastructure, or property, based on the capital investment leveraged, the number of jobs created, power generated and geographic diversity.	The maximum loan investment is \$2 million for a single project. Loans are generally awarded for five to ten years - from five to seven years for equipment and eight to ten years for real property. Terms and rates are determined on a project by project basis.	Ongoing
Tennessee	Jobs Tax Credit	Tennessee Department of Economic and Community Development	Tax Credit	To create jobs and increase investment in the Special Enhancement Counties.	Businesses located in economically distressed areas.	Up to \$3,000 applied against the amount of increase in the corporation's franchise tax liability caused by its expansion.	Ongoing
Tennessee	Minority Business Development Loan Fund	Tennessee Valley Authority	Loan	TVA's Minority Business Development Loan fund is a revolving loan fund established to support the start, growth, and expansion of minority and other socially and economically disadvantaged business owners in the Valley.	Business must be located in the TVA power service area. "Social and economical disadvantage" have the meanings described in the Small Business Act (15 U.S.C. Section 637 (a)).	Loans range from \$50,000 up to \$500,000. Loans are generally awarded for a period of three to ten years - from five to seven years for equipment and eight to ten years for real property. Terms and rates are determined on a project by project basis. Loans are typically below market rate with specific rates determined on a case by case basis.	Ongoing

Tennessee	Sales and Use Tax Exemptions	Tennessee Department of Revenue	Tax Exemption	The sales tax applies to any person or company who manufactures, distributes or retails tangible personal property within the state. The sales tax places the legal incidence of tax upon the seller. The Tennessee state sales tax is 6 percent and the local option sales tax ranges from 1 percent to 2.75 percent.	Statewide	Tennessee offers the following sales tax incentives and exemptions: No sales tax on purchases, installation and repairs of qualified industrial machinery. No sales tax on purchases of material handling and racking equipment associated with the require capital investment of \$10 million by a distribution or warehouse facility. No sales tax on raw materials for processing. No sales tax on pollution control equipment of manufacturers. Other pollution control equipment may be eligible for sales tax credit. Reduced sales tax rates for manufacturers' use of energy fuel and water; tax-exempt if used directly in the manufacturing process. Credit of 5.5 percent for state sales and use taxes paid on building materials, machinery and equipment new or expanded corporate headquarters (regional, national or international) meeting capital investment requirement of \$50 million. Refund on taxes paid on goods and services by motion picture production companies filming or producing in Tennessee that meet expenditures req	Ongoing
Tennessee	Special Opportunities Counties (SOC) Program	Tennessee Valley Authority	Loan	The TVA Special Opportunities Counties (SOC) fund is a \$15 million revolving loan program that provides low interest loans targeted to companies expanding or relocating in the Tennessee Valley's most economically distressed communities.	Only the 50 counties in the Valley with the lowest per capita income ranked by the percent of residents below the poverty level are eligible for the program. This list is updated on an annual basis. TVA maintains a current listing of eligible Tennessee counties.	The maximum loan investment is \$300,000. Funding is provided to the local government/development organization to be loaned by them at the TVA long-term borrowing rate (established at the time the loan is closed). Equipment loans are generally five to seven years and loans for real property are made for up to 10 years. All funding is subject to availability of funds.	Ongoing

Texas	Enterprise Zone Program	Texas Economic Development	Tax Refund	The Enterprise Zone program provides communities with an economic development tool through which they can offer state and local incentives and program priority to new or expanding business located in these designated areas. Texas Economic Development (TxED) administers, coordinates local, state and federal development efforts, provides community and business assistance, approves applications, and evaluates and reports the program's effectiveness to the Texas State Legislature. Businesses located in an enterprise zone may be eligible for local and/or state benefits. Every place in the state constituting a US Census block group where 20 percent or more of the residents are below the US poverty level is an enterprise zone.	To establish a zone, a city and/or county must nominate a specific geographic area within their jurisdiction to TxED. The area must meet certain size and distress criteria, reflect the economic objectives of the community, and specify local incentives that may be offered to a business in the zone. Zone designation is effective for a period of seven years. The size and distress criteria are as follows: An enterprise zone must have a continuous boundary; be at least one square mile and may be up to the larger of 10 square miles or five percent of the applicant's jurisdiction, but not greater than 20 square miles, excluding waterways and transportation arteries. The proposed area must have an unemployment rate of at least 1.5 times the state average unemployment rate for the preceding 12 months; or have had a population loss of at least 12 percent during the most recent six years, or four percent during the most recent three years. The proposed area must meet at least one other distress factor, including: pov	Enterprise projects are eligible for a refund of state sales or use taxes paid on machinery and equipment, building materials, labor for the rehabilitation of existing buildings, and electricity and natural gas purchased for use in the enterprise zone. The refund is based on \$5,000 for each permanent job the project creates or retains during the five year designation period. The maximum number of jobs for which a refund may be received is based upon commitments made in the project application. Each project is limited to a maximum refund of \$1.25 million or \$250,000 per year over the five-year period.	Ongoing
Texas	Franchise Tax Credits for Research & Development, Job Creation and Capital Investment		Tax Credit	The R&D credit is available to corporations making certain research and development expenditures for research activities conducted anywhere in the state. In addition to the research and development credits, the legislation also provided for franchise tax credits for corporations creating jobs or making capital investments in "Strategic Investment Areas" (SIA) across the state.	The R&D credit is available to corporations making certain research and development expenditures for research activities conducted anywhere in the state.	Research and Development Credit; Job Creation Credit; Capital Investment Credit	Ongoing

				Furthermore, there is a provision for an enhanced franchise tax credit for corporations engaged in research and development within Strategic Investment Areas. Based on their relative unemployment rate and per capita income, certain counties qualify as full-purpose SIAs. This designation allows businesses to apply for job creation and investment credits, as well as the research credit bonus. Another group of counties qualify only for the limited-purpose SIA designation based on their population.			
Texas	Property Tax Abatement	Texas Comptroller of Public Accounts	Tax Abatement/Reduction	Property taxes are levied by local governments and special tax districts on all real and tangible personal property. Intangible property, with certain exceptions, is not taxed. Local municipalities and counties can designate areas within their jurisdiction as reinvestment zones.	Statewide	Designation of a reinvestment zone may be for five-year, renewable periods. Tax abatement agreements have a maximum term of 10 years and provide for the exemption of real property and tangible personal property located on the real property, only to the extent that its value for that year exceeds its value for the year in which the agreement is executed.	Ongoing
Texas	Rural Development Finance Program	Texas Department of Agriculture	Loan Guaranty	The Texas Agricultural Finance Authority (TAFA) provides financial assistance to businesses and governmental entities located in the state's rural regions. Applicants must be located in a rural area; provide economic benefits for rural area; show evidence of creation or retention of employment; and prove their ability to repay the loan. The program provides financial assistance to enhance and diversify the state's rural economic development efforts.	Applicants located in the state who can provide significant benefits for a rural area, show evidence of creation or retention of employment, and provide evidence of reasonable equity in the project. Businesses must be interested in locating in Texas, or expanding their operations, adding new locations, and putting in new equipment or hiring new employees. The program also assists rural communities interested in attracting new businesses or retaining existing businesses, or working to improve telecommunications infrastructure,	Business Loans: from \$100,000 to \$1,000,000. The maximum will not exceed the lesser of 90 percent of the loan, 90 percent of the total project or \$5,000,000. Terms are determined on a case-by-case basis, with a maximum of 20 years, not to exceed the life of the assets being financed. The program will finance no more than 80 percent of the land and improvements, no more than 70 percent of machinery, equipment and fixtures, and no more than 75 percent of the cost of an existing business. Loan must be secured by collateral sufficient to provide reasonable assurance of repayment. Industrial	Ongoing

					housing or health care in an area to improve the "livability" of the community.	Revenue Bonds: the program may issue qualified tax-exempt small manufacturing facility or other revenue bonds in support of agricultural or rural businesses in Texas. Municipal Finance Loans: the program can provide loans or other financial assistance to local governmental and related entities for the purpose of maintaining or enhancing economic development in rural areas of Texas. From 1999-2001, 46 companies benefited from	
Texas	Tax Increment Financing	Office of Attorney General	Loan	The Tax Increment Financing Act gives authority to municipalities to designate reinvestment zones for the purpose of providing for tax increment financing of project costs for public works or public improvements in the zone. This also includes other costs incidental to those expenditures and obligations necessary to promote development that would not solely occur through private investment in the reasonably foreseeable future. In order for a community to offer tax increment financing or property tax abatement, a geographic area known as a reinvestment zone must be created and the business benefiting from these incentives must be located within the zone. A municipality may designate an area as a reinvestment zone. The area must meet specific criteria for designation. Designation of a reinvestment zone by a municipality must contribute to the retention or expansion of primary	A community that has a geographic area known as a reinvestment zone. Businesses benefiting from the incentives must be located within the zone. A municipality may designate an area as a reinvestment zone.	A municipality creating a reinvestment zone may issue tax increment bonds or notes, the proceeds of which may be used to pay project costs. Tax increment bonds and notes are payable, as to both principle and interest, solely from a tax increment fund that must be established in connection with the collection of taxes and project expenditure payments. A bond or note is fully negotiable and is not a general obligation of the municipality issuing the bond or note.	Ongoing

				employment or must attract major investment in the zone that would be a benefit to the property and that would contribute to the eco			
Texas	Texas Capital Fund Real Estate Development Program	Texas Department of Agriculture	Grant	<p>The Texas Capital Fund Real Estate Development Program is designed to provide financial resources to non-entitlement communities. Funds must be used for real estate development to assist a business which commits to create and/or retain permanent jobs, primarily for low and moderate income persons. This program encourages new business development and expansions located in non-entitlement communities. Eligible applicants are non-entitlement communities only. Businesses or individuals may not directly submit applications. Projects must demonstrate project feasibility and financial capability.</p>	<p>In addition to the research and development credits, the legislation also provided for franchise tax credits for corporations creating jobs or making capital investments in "Strategic Investment Areas" (SIAM) across the state. Furthermore, there is a provision for an enhanced franchise tax credit for corporations engaged in research and development within Strategic Investment Areas. The grants are not made directly to companies, but are federal funds provided by HUD to municipalities for the creation of permanent jobs. An applicant must demonstrate that jobs will be created from the project; \$25,000 is awarded for each job created. Matching funds must also be provided by the applicant.</p>	<p>A total of \$3 million is awarded each year. The minimum award is \$50,000 and the maximum award amount is \$750,000. The award may not exceed 50 percent of total project costs. A minimum equity injection the business is required: 10 percent if operating for more than three years and 33 percent if operating for less than three years. Applicant must not dilute ownership for a minimum period of five years. The business must remit to the applicant a monthly lease payment equal to the award amount divided over a maximum 240 month period. Applicant may elect to deposit lease payments in a Revolving Loan Fund for use at the local level, and receive one award per program year; or return payments to the State for use in a State Revolving Loan Fund which allows the applicant to be eligible for as many awards per program year as it has eligible projects. The lease agreement with the business must be for at least three years or until the contract between the applicant and the Texas Department of Agriculture is satis</p>	Ongoing

Texas	HB 1200	Texas legislature	Tax Exemption	Tax relief for large capital investments.		The bill works by capping the appraised value of capital investments that qualify based on a sliding scale tied to the total property wealth of the school district where the investment is made. The scale ranges from a cap of \$100 million for school districts with total property value of \$10 billion or more to \$20 million for school districts with property value less than \$100 million. A separate sliding scale is used for certain rural counties with a population of less than 50,000, and those that qualify as Strategic Investment Areas (SIA's). The investment amount is determined over a two-year period.	
Utah	Corporate Loan Program	Department of Community and Economic Development	Grant	This program is reserved for extraordinary expansions which involve heavy capital investment, large numbers of new jobs, and high average salary. Most of these applicants are expanding on the Wasatch Front.	Medium to large businesses.	Set by Division of Business and Economic Development Board based on Fiscal Impact analysis.	Ongoing
Utah	Industrial Assistance Fund	Department of Community and Economic Development	Grant or Loans	To foster and develop industry to assure the welfare of citizens, economic growth and employment.	Companies that establish, relocate or develop industry in an economically disadvantaged rural area. Companies must fall within a Targeted Market or a Corporate Expansion, which must have \$10,000,000 in Utah expenditure and spend \$5.7 to every dollar awarded.	The ranges of incentive awards vary from company to company depending on the type of incentive being applied for how many jobs are being created, financial history , and what a company is requesting. Typically, awards range from \$100,000 to \$1,000,000.	Ongoing
Utah	Targeted Industry Loan Program	Department of Community and Economic Development	Grant	The term "targeted industry" refers to the industry identified each year as a target for growth in the state of Utah. Applicants must conduct business within the targeted industry definition and usually meet criteria similar to the Corporate Loan Program.	Information technology, biomedical and aerospace industries are targeted	Set by Division of Business and Economic Development Board based on Fiscal Impact analysis.	Ongoing

Utah	Utah Enterprise Zone Program	Department of Community and Economic Development	Tax Credit	The Utah Enterprise Zone Program was established in 1988. An enterprise zone comprises an area identified by local elected and economic development officials and designated by the state.	Any area of the state of Utah which is not part of a U.S. Census Bureau Metropolitan Statistical Area (MSA) located wholly within the state may be eligible for enterprise zone designation (see map). Application for designation must be made by a city with 10,000 or less population located in a county with 50,000 or less population and not part of an MSA as previously stated, a county with 50,000 or less population and not part of an MSA, or an Indian Tribe for tribal lands. Applications will be reviewed and approved on the basis of economic development need, its quality, and other considerations based on a variety of economic distress factors, local planning, etc.	The following tax credits may be claimed by eligible businesses locating or expanding in enterprise zones on state income tax forms:	Ongoing
Virginia	Clean Fuel Vehicle Job Creation Tax Credit	Virginia Economic Development Partnership	Tax Credit	Businesses manufacturing or converting vehicles to operate on clean fuel and manufacturers of components for use in clean fuel vehicles are eligible to receive an income tax credit for each new full-time job created, over and above the previous year's employment level.	Clean fuel manufacturing businesses.	The credit is equal to \$700 in the year the job is created, and in each of two succeeding years if the job is continued, for a maximum of \$2,100 per job. Unused credits may be carried forward for five years. The credit is available for taxable years beginning on or after January 1, 1996 through December 31, 2006. Businesses receiving this tax credit are not eligible to receive the Major Business Facility Job Tax Credit.	Ongoing
Virginia	Enterprise Zone Program	Virginia Department of Housing and Community Development	Tax Credit	Virginia's Enterprise Zone Program is designed to stimulate business development in distressed urban and rural areas. Fifty-six out of a possible 60 Zones have been designated statewide. Virginia's Enterprise Zone program offers several special state incentives for qualified businesses locating or expanding in a Zone.	Sixty Enterprise Zones are authorized statewide.	(1) General Tax Credit (2) Refundable Real Property Improvements Tax Credit (3) Large Project Investment Tax Credit (4) Job Grants.	Ongoing

Virginia	Governor's Opportunity Fund	Virginia Economic Development Partnership	Grant	The Governor's Opportunity Fund supports industrial development projects that create new jobs and investment in accordance with criteria established by state legislation. Grant requests are made by the locality and awarded at the discretion of the Governor.	Funds can be used for site acquisition and development; transportation access; training; construction or build-out of publicly-owned buildings; or grants or loans to Industrial Development Authorities. Eligible projects must meet the following conditions: (1) projects of a minimum private investment of \$10 million and create at least 100 jobs. In localities with a population of 50,000 to 100,000, a minimum private investment requirement is \$5 million and the minimum job creation requirement is 50 jobs. In localities with a population under 50,000, a minimum private investment requirement is \$2.5 million and the minimum job creation requirement is 25 jobs.	Local financial participation is required on a dollar for dollar basis.	Ongoing
Virginia	Loan/Grant Program	Virginia Coalfield Economic Development Authority	Mixed	The Virginia Coalfield Economic Development Authority (VCEDA) is designed to enhance the economic base of the seven counties and one city of far southwestern Virginia (Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise counties and the City of Norton). The Authority provides low interest loans or grants to qualified new or expanding industries through its financing program. Program funding is derived from the local coal and gas road improvement tax and the natural gas severance tax.	The loans may be used for real estate purchases, construction or expansion of buildings, and the purchase of machinery and equipment. To be eligible for the VCEDA loans, private businesses must be basic employers who will bring new income to the area . Priority will be given to loans requiring \$10,000 or less per permanent job created, and the average minimum hourly wage should equal or exceed 1.5 times the current federal minimum wage rate at the end of one year of employment. Any project providing at least 25 jobs within 12 months of start-up will be given priority.		Ongoing

Virginia	Major Business Facility Job Tax Credit	Virginia Economic Development Partnership	Tax Credit	Qualifying companies locating or expanding in Virginia receive a \$1,000 corporate income tax credit for each new full-time job created over a threshold number of jobs.	Companies locating in Enterprise Zones or economically distressed areas.	Components of the job tax credit include: (1) companies locating in Enterprise Zones or economically distressed areas are required to meet a 50 job threshold, all other locations have a 100 job threshold; (2) the \$1,000 credit is available for each job in excess of the threshold and is taken in equal installments over three years (i.e. \$333 per year); (3) credits are available for taxable years beginning on and after 1 / 1 /95, but before 1/1/05; and (4) unused credits may be carried over 10 years.	Ongoing
Virginia	Solar Photovoltaic Manufacturing Grants	Department of Mines, Minerals and Energy	Grant	The Solar Photovoltaic Manufacturing Grant program is designed to encourage the full value-added product development and manufacture of a high technology, renewable energy source in Virginia. Any manufacturer who sells solar photovoltaic panels, manufactured in Virginia, is entitled to receive an annual grant of seventy-five cents per watt of the rated capacity of panels sold.	Manufactures of high-technology and renewable energy sources.	After January 1, 2002, new companies beginning or expanding manufacturing of solar photovoltaic panels can receive an annual solar photovoltaic manufacturing incentive grant for six years.	Ongoing
Virginia	Technology Zones	Virginia Economic Development Partnership	Mixed	Virginia cities, counties and towns have the ability to establish by ordinance, one or more technology zones to attract growth in targeted industries. Qualified businesses locating or expanding operations in a zone may receive local permit and user fee waivers, local tax incentives, special zoning treatment, or exemption from ordinances.	Technology Industries	Once a local technology zone has been established, incentives may be provided for up to ten years. Each locality designs and administers its own program.	Ongoing

Virginia	Virginia Investment Partnership Grant Fund	Virginia Economic Development Partnership	Grant	The Virginia Investment Partnership Grant Fund is a discretionary performance incentive program in which grants are negotiated and made to special projects that invest in Virginia and promote stable or growing employment opportunities.	All companies that have been in business in VA for at least five years.	Companies must have operated in Virginia for at least five years and propose projects that fall into one of the following two categories: Tier one - Virginia manufacturers that make a capitalized investment of at least \$25 million to increase the productivity of a Virginia manufacturing facility or to utilize a more advanced technology while at least maintaining stable employment levels. Tier two - Virginia basic employers that make a capitalized investment of at least \$100 million and create at least 1,000 new jobs.	Ongoing
Virginia	Governor's Motion Picture Opportunity Fund	Section 2.2-2320 of the Code of Virginia		This fund is to be used, in the sole discretion of the Governor, to support the film and video industries in Virginia by providing the means for attracting production companies and producers who make their projects in the Commonwealth using Virginia employees, goods and services.	The types of projects eligible for consideration will be feature films, children's programs, documentaries, television series or other television programs designed to fit a thirty-minute or longer format slot. Projects not eligible are industrial, corporate or commercial projects, education programs not intended for rebroadcast, adult films, music videos and news shows or reports.	The fund shall be used by the Governor to assist production companies or producers that meet the eligibility requirements set forth in the guidelines. The Authority shall assist the Governor in the development of guidelines for the use of the Fund. The guidelines should include provisions for geographic diversity and a cap on the amount of money available for a certain project.	Ongoing
Washington	Coastal Loan Program	Washington State Office of Trade and Economic Development	Loan	This fund provides business and technical assistance loans to create economic opportunities in Jefferson, Clallam, Grays Harbor, Pacific, and Wahkiakum counties. Business borrowers must demonstrate job creation and private investment to qualify for loans. Technical assistance loans for public agencies businesses are available for feasibility studies and planning projects that benefit the community and create jobs, especially for dislocated workers.	Jefferson, Clallam, Grays Harbor, Pacific, and Wahkiakum counties	Variable. Loans up to \$150,000. Technical assistance loans up to \$50,000 for public agencies and \$20,000 for businesses for feasibility studies.	Ongoing

Washington	Distressed Area Business and Occupational Tax Credit	Washington State Office of Trade and Economic Development	Tax Credit; Tax Exemption	Under the Revised Code of Washington (RCW) 82.62.030 and RCW 82.62.045 certain areas in the state are eligible for a credit against the B&O tax liability at the rate of \$2,000 or \$4,000 per new job created by manufacturing, research and development or computer software firms.	This tax break applies to 1) Counties: Adams, Asotin, Benton, Chelan, Clallam, Columbia, Cowlitz, Ferry, Franklin, Grant, Grays Harbor, Kittitas, Klickitat, Lewis, Mason, Okanogan, Pacific, Pend Oreille, Skagit, Skamania, Steven, Whitman and Yakima; 2) Metropolitan Statistical Area: Whatcom; and 3) Community Empowerment Zones: Bremerton, Tacoma, White Center, Yakima, Marysville, Snohomish, Sultan, Acme, Deming, Everson, Maple Falls, Sumas, Clearwater, Queets and Quilcene.		Ongoing
Washington	Rural Washington Loan Fund	Washington State Office of Trade and Economic Development	Loan	The Development Loan Fund provides gap financing for businesses that will create new jobs or retain existing jobs, particularly for lower-income persons, in non-entitlement areas of the state experiencing high unemployment. Priority is given to distressed area projects.	Primarily for distressed and timber impacted areas.	RWLF may lend up to \$350,000, in participation with private lenders, and in special cases up to \$700,000.	Ongoing
Washington	Distressed Area Sales and Use Tax Deferral/Exemption Program	Department of Revenue	Tax Exemption	Distressed Area Sales and Use Tax Deferral/Exemption Program falls under RCW 82.60.040 and 82.60.049 and is available for new or remodeled building and/or equipment used in manufacturing or research and development activities in rural countries or economically distressed areas.	This tax break applies to 1) Counties: Adams, Asotin, Benton, Chelan, Clallam, Columbia, Cowlitz, Ferry, Franklin, Grant, Grays Harbor, Kittitas, Klickitat, Lewis, Mason, Okanogan, Pacific, Pend Oreille, Skagit, Skamania, Steven, Whitman and Yakima; 2) Metropolitan Statistical Area: Whatcom; and 3) Community Empowerment Zones: Bremerton, Tacoma, White Center, Yakima, Marysville, Snohomish, Sultan, Acme, Deming, Everson, Maple Falls, Sumas, Clearwater, Queets and Quilcene.		Ongoing
Washington	Fishing Boat Fuel	Department of Revenue	Tax Exemption	Diesel fuel used by vessels engaged in commercial deep sea fishing or in the operation of commercial charter fishing boats is exempt from retail sales & use tax, if such vessels regularly operate outside of state territorial waters and if the gross income from such fishing activities is more than \$5,000 per year.	Vessels engaged in commercial deep sea fishing or in the operation of commercial charter fishing boats.		Ongoing

Washington	High Technology Business and Occupation Tax Credit Program	Department of Revenue	Tax Credit	The High Technology Business and Occupation Tax Credit Program allows high technology businesses performing research and development in Washington a business and occupation tax credit.	The eligible high technology businesses include: advanced computing, advanced materials, biotechnology, electronic device technology and environmental technology.	An annual credit of up to \$2 million is allowed for each business that performs the required activities and meets the minimum expense requirements. The credit cannot exceed the amount of the business and occupation tax due for that calendar year. The rate for the credit is .515 percent for nonprofit corporations and associations and 2.5 percent for profit businesses.	Ongoing
Washington	High Technology Sales and Use Tax Deferral/Exemption Program	Department of Revenue	Tax Exemption	The High Technology Sales and Use Tax Deferral/Exemption Program was enacted in 1994 to stimulate growth in certain high technology industries.	A sales and use tax deferral/exemption is allowed for research and development pilot scale manufacturing in the areas of advanced computing, advanced materials, biotechnology, electronic device technology and environmental technology.	If the project is used for qualifying purposes for eight years, deferred taxes will be forgiven. If the project is used for non-qualifying purposes during the eight year period, taxes plus interest are due on a pro-rated basis. Even if the deferral is disallowed, no sales and use tax will be due on exempt manufacturing and equipment (i.e. Manufacturing Tax Incentive Program).	Ongoing
Washington	Industrial Machinery and Equipment	Department of Revenue	Tax Exemption (sales and use taxes)	New or replacement manufacturing machinery and equipment is exempt from retail sales/use tax if it is used in a manufacturing operation. Both materials and installation labor are included for machinery, equipment, pollution control equipment and the internal use portion of cogeneration equipment.	Aircraft, rolling stock, and watercraft; motor vehicles and trailers used by nonresidents.	Total revenue foregone to the state in fiscal year 2003 is estimated to be \$9.7 million. There is also a sale and use tax exemption. State tax foregone is fiscal year 2003 is approximately \$141 million. Please note that the estimated tax loss revenue would not be realized if the exemption were repealed because deliveries would simply be made out of state and avoid the sales tax.	Ongoing
Washington	Prototype of Aircraft Parts	Department of Revenue	Tax Exemption (retail sales & use tax exemption)	Purchases of materials used to develop prototypes of aircraft parts are exempt from sales/use tax, if the firm that develops the prototype has taxable sales of less than \$20 million annually. Further, the statute limits the maximum amount of sales tax exemption to \$100,000 per firm.	Small manufactures of aircraft parts.	The statute limits the maximum amount of sales tax exemption to \$100,000 per firm.	Ongoing

Washing- ton	Ships and Vessels Under Construction	Department of Revenue	Tax Exempt ion (propert y tax)	To improve competitive position of the state's shipyards.	Provided to vessels under construction that are 1,000 tons or more burden upon completion.		Ongoing
Washing- ton	Small Timber Harvester	Department of Revenue	Tax Exempt ion (B&O)	To reduce tax burden on small tree harvests.	Provide to the roughly 2,640 individuals and small businesses that qualify as small timber harvesters.		Ongoing
West Virginia	Aerospace Industrial Facility Investment Credit	West Virginia Department of Tax and Revenue	Tax Credit	The purpose of this tax credit is to encourage the establishment of new industry, the expansion of existing industry, and the growth and revitalization of aerospace industrial facilities in West Virginia.	Eligibility for this tax credit is limited to taxpayers who operate facilities used for the manufacturing, rebuilding or physical refurbishment of : (1) Aircraft (engines, engine parts, other parts, auxiliary equipment; and or (2) Guided missiles, space vehicles, vehicle propulsion units, guided missile parts, propellers, space vehicle parts, or guided missile and space vehicle auxiliary parts).	The tax credit shall be limited to 15 percent (1.5 percent for each of the ten consecutive years) of the total qualified investment in a qualified aerospace industrial facility. The amount of credit utilized in any given year shall not reduce the taxpayer's liability for Business Franchise Tax and Corporation Net Income Tax (in combination with all other allowable investment credits) by more than 60 percent. Any unused credit for a particular year is forfeited.	Ongoing
West Virginia	Business Investment and Jobs Expansion Tax Credit (Super Tax Credit)	West Virginia Development Office	Tax Credit	The State of West Virginia offers a Super Tax Credit program that can provide substantial tax credits for companies that create jobs. This program is based upon a formula which is calculated using a qualified investment factor and a job creation factor.	Statewide- Manufacturing, information processing, warehousing, goods distribution and destination-oriented tourism. Company must create 50 new jobs over 3 years.	The amount of qualified investment is based on the useful life and cost of real and personal property. For investment with a useful life of 1-4 years, the cost percentage is 0 percent; for 4-6 years of useful life, the cost percentage is 33.3 percent; for 6-8 years, the cost percentages is 66.7 percent; and for 8 years or more, the cost percentage is 100 percent. The Super Tax Credit is applied at the rate of one-tenth per year for ten years beginning with the first taxable year the investment is placed into service or use.	Ongoing
West Virginia	Consumer Ready Tax Credit	West Virginia Development Office	Tax Credit	A tax credit for wood product manufacturers that create jobs after June 30, 1997. A consumer-ready wood product includes any value- added wood product that does not	Wood products industry.	A \$250 credit for each new job created between June 1997 and June 2002. Credit is taken against business franchise and corporate net income tax or personal tax.	Ongoing

				require further manufacturing before it may be used and/or purchased.			
West Virginia	Corporate Headquarters Credit	West Virginia Development Office	Tax Credit	A credit is available to a company that relocates its corporate headquarters to West Virginia.	Manufacturing, information processing, warehousing, goods distribution and destination-oriented tourism.	If at least 15 new jobs are created, the allowable credit is 10 percent of adjusted qualified investment. If the corporate headquarters relocation results in 50 or more new jobs, the allowable credit is 50 percent (or such other allowable new jobs percentage) of adjusted qualified investment.	Ongoing
West Virginia	Economic Infrastructure Bond Fund	West Virginia Development Office	Bond	The West Virginia Economic Infrastructure Bond Fund, a financial assistance program, provides funding for projects likely to foster and enhance economic growth and development. Emphasis will be placed on Business and/or Industrial Parks.	Statewide with an emphasis on business / industrial parks.	Repayment of a loan in full or in part may be made at any time without penalty. Credit decisions will be based on the applicant's ability to repay the loan and collateral offered to secure the loan. Interest Rates for a for-profit sponsor is a minimum of the prime rate minus 3 percent (to be fixed at closing). Interest rates for public or not-for-profit sponsor will not exceed prime minus 3 percent. The length of the loan will be negotiated on each project and will not exceed the useful life of the assets being financed or 20 years, whichever is less. The West Virginia Infrastructure and Jobs Development Council may defer the repayment of principal and interest up to 5 years. The maximum loan amount for a private or public sector project is \$3 million. The maximum participation rate for each project is 70 percent for private sector projects and 90 percent for public sector projects.	Ongoing
West Virginia	Five for Ten Program	West Virginia Development Office	Tax Credit	A tax credit for companies that make qualified investment of at least \$50 million to an existing base of \$100 million or more.	Manufacturing	Establishes the value of asset improvements at salvage value for property tax evaluations for 10 years.	Ongoing

West Virginia	Industrial Revenue Bonds	West Virginia Economic Development Authority	Bond	\$47,250,000 of the state's industrial bond allocation is reserved for small manufacturing projects. This provides for customized financing through federal tax exempt industrial revenue bonds. Available January through November 15 of each year, 50 percent of the unused revenues are distributed to qualified businesses locating in an enterprise community/enterprise zone and 50 percent is available for other eligible projects.	Statewide	Determined by market. Capital expenditure limit of \$10 million.	Ongoing
West Virginia	New Steel Manufacturing Operations Tax Credit (Value-Added Steel Products)	West Virginia Department of Tax and Revenue	Tax Credit	To encourage job creation in the manufacture of "Value-added steel product"- any product that adds to, increases or enhances the value of any raw, bare or unimproved steel product.	Manufacturer of "value added steel products".	The maximum amount of the one-time credit is \$250 for each new job filled by a full time employee at such a facility during the tax year. Full-time jobs created by a taxpayer in a short tax year during the taxpayer's first year of operation, or filled in the year in which this credit expires, are prorated.	Ongoing
Wisconsin	Community-Based Economic Development Program-Local Economic Development Project Grants	Department of Commerce	Grant	Community-Based Economic Development Program-Local Economic Development Project Grants are intended to enable eligible organizations to conduct local economic development projects.	Eligible uses include the development of project-specific plans for industrial parks, for downtown business districts or for public infrastructure projects that focus on water, sewer and/or transportation. Funds may also be used to implement training programs for local economic development professionals; and to develop implementation plans that support local economic development projects.	Awards are made as grants, with a maximum grant amount of \$30,000 per recipient. Recipients must provide a 25 percent match of total project costs, except in cases of extreme hardship.	Ongoing
Wisconsin	Corporate Exemption for Activities of Out-Of-State Publishers and Certain	Department of Revenue	Tax Exemption	Foreign corporations engaged in certain business activities are no longer required to file a Wisconsin tax return. An exemption has been granted to out-of-state publishing companies that contract with Wisconsin printing firms for the	Statewide		Ongoing

	Other Foreign Corporations			printing, storage and distribution of books, magazines and other publications. The legislature acted to revise the definitions of what constitutes taxable activities in order to remove a disincentive for publishers to contract with state printers. The legislature exempted several other transactions from state nexus standards such as the temporary storage of inventory on the premises of Wisconsin firms when the intent is to distribute all of the goods outside the state.			
Wisconsin	Dairy 2020 Early Grant Program	Department of Commerce	Loan	To provide support to dairy producers in designated areas.	Existing and start-up dairy producers whose farms are, or will be, located in a city, town or village with a population of less than 6,000.	Up to 75 percent of eligible project costs up to a maximum of \$3,000. Actual amount of funds awarded is based on viability of the project, the project's economic impact, and fund availability.	Ongoing
Wisconsin	Deduction for Corporate Dividends Received	Department of Revenue	Tax Credit	A deduction is allowed for dividends received from subsidiaries in which the parent company owns at least 70 percent of the voting stock. In the case of dividends received from unitary subsidiaries, the transactions do not constitute the realization of income, but merely the transfer of funds among branches of a unitary business entity.	Statewide		Ongoing
Wisconsin	Small Cities Community Development Block Grant Program-Blight Elimination and Brownfield Redevelopment	Department of Commerce	Grant	Small Cities Community Development Block Grant Program-Blight Elimination and Brownfield Redevelopment Program provides financial assistance to communities in assessing or remediating environmental contamination on abandoned, idle or underused, and blighted commercial or industrial sites to promote development of those sites.	Most cities, villages and towns with populations under 50,000 and all counties except Waukesha, Dane and Milwaukee Counties. Entitlement municipalities are not eligible.	Awards are made as grants to eligible local governments. The local government may loan or grant the funds to local businesses or non-profit organizations to conduct an environmental audit or environmental remediation. The maximum award is \$100,000 for environmental audits and \$500,000 for environmental remediation projects. The local government must contribute at least 25 percent of the total project cost	Ongoing

	Program					from other sources. Municipalities that receive grants must make a commitment to pursue recovery of environmental remediation costs from parties causing the contamination and to reimburse the Department a proportional share of CDBG funds. In addition, all program income received in connection with loans to businesses or nonprofit corporations must be paid to the Department within 30 days.	
Wisconsin	Small Cities Community Development Block Grant Program-Economic Development Program	Department of Commerce	Grant	Small Cities Community Development Block Grant Program-Economic Development Program provides grants to local governments that assist businesses in investing private funds to create or retain jobs in the state.	Eligible applicants for grants under the economic development and public facilities components include most cities, villages and towns with populations under 50,000 and all counties except Dane, Waukesha and Milwaukee counties. Municipalities ineligible for program funding are termed "entitlement communities" (generally, cities with populations of at least 50,000 and urban counties). Entitlement communities are eligible to receive CDBG funds directly from the federal government through the block grant entitlement program.	Funds are granted to local governments that provide loans to companies to supplement other financing for projects that involve business startups, expansions or retentions. The maximum grant that a community may receive is \$1 million per year. The maximum amount of economic development assistance a business may receive from one or more local governments is \$1.0 million in a five-year period. To be eligible, 50 percent of the total project cost must be provided privately. Economic development awards from CDBG funds are made on a continuous basis during the year.	Ongoing
Wisconsin	Small Cities Community Development Block Grant Program-Public Facilities for Economic Development Program	Department of Commerce	Grant	Small Cities Community Development Block Grant Program-Public Facilities for Economic Development Program provides funding for the expansion or improvement of public facility systems which directly benefit individual businesses that will create or retain jobs and expand the tax base.	Most cities, villages and towns with populations under 50,000 and all counties except Waukesha, Dane and Milwaukee Counties. Entitlement municipalities are not eligible.	This program provides grants to communities. The total amount received by a local government may not exceed \$1,000,000 in a calendar year. Funding to benefit a single business is limited to \$750,000. Funding for this program includes funds provided through a revolving loan fund that consists of monies generated by earlier CDBG economic development awards. The business investment must be equal to the CDBG funding provided. Applications are accepted year-round,	Ongoing

						subject to the availability of funding.	
Wisconsin	Tax Incremental Financing	Department of Revenue	Loan	Tax Incremental Financing (TIF) can help a municipality undertake a public project to stimulate beneficial development or redevelopment that would not otherwise occur. It is a mechanism for financing local economic development projects in underdeveloped and blighted areas. Taxes generated by the increased property values pay for land acquisition or needed public works.	A city or village can designate a specific area within its boundaries as a TIF district and formulate a plan to develop it. TIF projects must be approved by the municipality's planning commission and legislative body. At least 50 percent of the TIF district's property area must be blighted, in need of rehabilitation or be suitable as an industrial site.	TIF is based on two working principles: (1) new private development expands the municipality's tax base, thereby increasing property tax revenues; and (2) if the municipality must provide public improvements to attract the development, the overlying tax districts that benefit from the resulting increase in the community's tax base should share in the costs of improvement.	Ongoing
Wisconsin	The Wisconsin Development Fund-Technology Development Grants and Loans and Technology Development Commercialization Loans	Department of Commerce	Mixed Financing	The Wisconsin Development Fund-Technology Development Grants and Loans and Technology Development Commercialization Loans is a program designed to encourage cooperation between businesses and universities in the research and development of new products. The Fund offers matching grants for technology, research and development leading to new businesses or consortiums to assist infrastructure development and commercialization of new products or processes.	Awards are made to consortia of businesses and institutions of higher education. Consortia may be composed of a company and an institution in the University of Wisconsin system or another in-state institution offering post-B.A. or professional degrees.	Awards are in the form of grants or loans. Recipients must contribute at least 25 percent of project costs as a match. Loans for successful ventures must be repaid, including a reasonable return on the initial investment as determined on a case-by-case basis.	Ongoing
Wisconsin	Wisconsin Development Zone Program	Department of Commerce	Tax Credit	The Department of Commerce funds Development Zones for the purpose of attracting and retaining businesses to the state, and to promote economic growth and development through job creation and investment in economically distressed areas. Areas	Businesses locating in distressed areas.	Eligible businesses which conduct economic activity in development or enterprise development zones may claim the development zone tax credit. The credit is based on amounts spent on environmental remediation and the number of full-time jobs	Ongoing

				are designated development zones by the Department of Commerce, and are effective for up to 20 years. The Department allocates the total statewide authorization of development zone credits, and businesses which locate, expand, invest and conduct certain economic activities in the zones are eligible to claim these credits.		created or retained. In 2001, \$38.155 million in tax credits were authorized statewide.	
Wisconsin	Wisconsin Technology Development Zones	Department of Commerce	Tax Credit	The technology zone program will address several areas of need to ensure Wisconsin's short- and long-term economic vitality and success, including: Combating the state's 'brain drain' by increasing high tech jobs; Linking Wisconsin's research expertise with Wisconsin firms to grow clusters of high-tech jobs.; Linking economic strategies across regions for power through collaboration.	High-technology businesses	Eight zones across the state will be designated, and will remain in effect for up to 10 years. Each zone will receive a total of \$5,000,000 in tax credits for the duration of their designation.	Ongoing
Wyoming	Taxpayer Remedies	W.S. 39-17-109(d)	Tax Credit	Support of ethanol producers.	Producers of ethanol in Wyoming.	Credit of 40 cents per gallon.	Ongoing